

**S.R. 85** - By Tejeda: Extending congratulations to the Harlandale United Methodist Church in San Antonio on the occasion of its 80th anniversary.

**ADJOURNMENT**

On motion of Senator Brooks, the Senate at 2:15 p.m. adjourned until 11:30 a.m. tomorrow.

**APPENDIX**

Sent to Comptroller  
(July 30, 1991)

**S.B. 82**

Sent to Governor  
(July 30, 1991)

**S.B. 82**

**FOURTEENTH DAY**  
(Wednesday, July 31, 1991)

The Senate met at 11:30 a.m. pursuant to adjournment and was called to order by the President.

The roll was called and the following Senators were present: Armbrister, Barrientos, Bivins, Brooks, Brown, Carriker, Dickson, Ellis, Glasgow, Green, Haley, Harris of Tarrant, Harris of Dallas, Henderson, Johnson, Krier, Leedom, Lucio, Lyon, Moncrief, Montford, Parker, Ratliff, Rosson, Sibley, Sims, Tejeda, Truan, Turner, Whitmire, Zaffirini.

A quorum was announced present.

The Reverend Wayne Williams, Parker Lane United Methodist Church, Austin, offered the invocation as follows:

O God, who dwells in the high and holy place, and with persons also that are of a contrite and humble spirit, we praise and bless You for Your presence with us all our days.

When we are tempted, You seek to restrain and deliver us. When we do what is wrong and get into trouble, You call us to repentance and give us the opportunity for a new start. In time of trouble, when we know not where to turn, You come to us with Your comfort and Your saving grace.

We do not ask immunity from all loss or pain, knowing that suffering may teach us much, and that we are called to serve Your purpose of good regardless of cost to ourselves. Give us wisdom and courage sufficient for the day, and such measure of mental and bodily strength as may enable us for the work we have to do.

Let Your spirit work mightily throughout this chamber, that justice, equality and peace may prevail throughout this great State. Hear us, O God of the ages. Amen.

On motion of Senator Brooks and by unanimous consent, the reading of the Journal of the proceedings of yesterday was dispensed with and the Journal was approved.

**MESSAGE FROM THE HOUSE**

House Chamber  
July 31, 1991

**HONORABLE BOB BULLOCK**  
**PRESIDENT OF THE SENATE**

SIR: I am directed by the House to inform the Senate that the House has passed the following:

The House has refused to concur in Senate amendments to **H.J.R. 10** and has requested the appointment of a Conference Committee to consider the differences between the two Houses. The following have been appointed on the part of the House: Cain, Chair; Black, Pierce, Edwards, Taylor.

The House has refused to concur in Senate amendments to **H.B. 2** and has requested the appointment of a Conference Committee to consider the differences between the two Houses. The following have been appointed on the part of the House: Glossbrenner, Chair; Watkins, Bomer, Grusendorf, Berlanga.

Respectfully submitted,

**BETTY MURRAY**, Chief Clerk  
House of Representatives

**REPORTS OF STANDING COMMITTEES**

Senator Glasgow submitted the following report for the Committee on State Affairs:

**S.B. 83** (Amended)  
**C.S.H.B. 4**

Senator Barrientos submitted the following report for the Committee on Nominations:

We, your Committee on Nominations, to which were referred the following appointments, have had same under consideration and report them back to the Senate with the recommendation that they be confirmed.

To be Members of the **TEXAS BOARD ON AGING**: Jose E. Camacho, Travis County; J. Kenneth Huff, Sr., Grayson County; Dan Roberts, Tarrant County; Ms. Aliceanne Wallace, Bell County.

To be a Member of the **TEXAS ALCOHOLIC BEVERAGE COMMISSION**: Ms. Renee Higginbotham-Brooks, Tarrant County.

To be a Member of the **BOARD OF DIRECTORS, STATE BAR OF TEXAS**: Mrs. Jesse Carrasco, El Paso County.

To be a Member of the **BOARD OF TRUSTEES OF THE EMPLOYEES RETIREMENT SYSTEM OF TEXAS**: Speaker Byron M. Tunnell, Travis County.

To be a Member of the **TEXAS HIGH-SPEED RAIL AUTHORITY**: Henry Ruben Munoz III, Bexar County.

To be a Member of the **BOARD OF TRUSTEES OF THE TEACHER RETIREMENT SYSTEM OF TEXAS**: Dr. Dana Williams, Nueces County.

To be **JUDGE OF THE 151ST JUDICIAL DISTRICT COURT OF HARRIS COUNTY**: Ms. Carolyn Clause Garcia, Harris County.

To be Members of the BOARD OF DIRECTORS, NUECES RIVER  
AUTHORITY: Edward M. "Ted" Jones, Nueces County; Bob Mullen, Nueces  
County.

#### SENATE BILLS ON FIRST READING

The following bills were introduced, read first time and referred to the  
Committee indicated:

**S.B. 88** by Ellis Health and Human Services  
Relating to the powers and duties of the Texas Rehabilitation Commission.

**S.B. 89** by Krier, Barrientos Finance  
Relating to the imposition of certain gross receipts taxes on an electric utility owned  
by a municipality.

**S.B. 90** by Parker, Zaffirini Finance  
Relating to the oversight and regulation of the state's environmental, natural, and  
energy resources and to the duties, powers, and functions of the Texas Natural  
Resource Conservation Commission.

**S.B. 91** by Barrientos, Truan Finance  
Relating to the Texas Heritage Trust and State and Local Parks Funds Act.

**S.B. 92** by Parker Intergovernmental Relations  
Relating to the authority of the manager of Jefferson County Drainage District No.  
7 to hire and terminate employees of the district.

#### SENATE CONCURRENT RESOLUTION 9

Senators Ratliff and Haley offered the following resolution:

WHEREAS, It is with great pride that the Legislature of the State of Texas  
welcomes Rhonda Rene Morrison, Miss Texas of 1991, on her visit to the Capital  
City; and

WHEREAS, Born May 21, 1970, in Conroe, Texas, Rhonda is a graduate of  
Coldspring High School where she was valedictorian of her class; she has been  
attending The University of Texas at Arlington, majoring in communications and  
specializing in radio and television; and

WHEREAS, Beautiful, talented, and versatile, Rhonda is a gifted singer and  
dancer and a graduate of the Barbizon School of Modeling; and

WHEREAS, She was a nominee for Female Vocalist for the Year in the  
Johnnie High Country Music Review of 1989 and 1990 and was a spokesmodel for  
Cadillac at the Philadelphia, Houston, and Dallas Automobile Shows of 1991; and

WHEREAS, She participated in a Dale Carnegie course in Effective Speaking  
and Human Relations, and she intends to pursue a career as a spokesperson and  
instructor in the field of self-improvement; and

WHEREAS, A gifted leader and generous with her time, Rhonda has devoted  
much of her energy to numerous civic and charitable projects: she has been a  
volunteer for the Muscular Dystrophy Association and the Department of Human  
Resources; a fundraiser for the American Cancer Society, American Heart  
Association, and March of Dimes; and a volunteer cook at the Fort Worth  
Children's Medical Center; and

WHEREAS, A distinguished lady who has made many valuable contributions  
to the community and to the State of Texas, Rhonda serves as an exemplary citizen  
for young people throughout the United States; now, therefore, be it

RESOLVED, That the 72nd Legislature of the State of Texas, 1st Called  
Session, hereby extend warm hospitality to Rhonda Rene Morrison and commend  
her on her exceptional achievements; and, be it further

RESOLVED, That a copy of this Resolution be prepared for her as an expression of esteem from the Texas Legislature.

RATLIFF  
HALEY

The resolution was read.

On motion of Senator Haley and by unanimous consent, the names of the Lieutenant Governor and Senators were added to the resolution as signers thereof.

An enrolled copy of the resolution, previously adopted by the Senate on July 26, 1991, was presented to Ms. Morrison by the President.

(Senator Brooks in Chair)

#### BILL AND RESOLUTION SIGNED

The Presiding Officer announced the signing in the presence of the Senate, after the caption had been read, the following enrolled bill and resolution:

S.B. 2  
H.C.R. 3

(President in Chair)

#### SENATE RESOLUTION 72

Senator Sims offered the following resolution:

WHEREAS, The Senate of the State of Texas is especially pleased to join with the citizens of Austin, Texas, in designating July 31, 1991, as Bill Sakewitz Day in honor of this fine gentleman who is celebrating his 54th birthday; and

WHEREAS, Affectionately called "Wild Bill" by his family and friends, he is a gregarious individual who has never met a stranger; and

WHEREAS, This quality and his pleasing personality serve him well in his present job as doorman of the Texas State Senate; and

WHEREAS, Living life to the fullest, he has a genuine love for people and a real concern about the well-being and happiness of others; Bill is always willing to give of his time, energy, and knowledge to aid others; and

WHEREAS, Bill retired from the state as a dedicated employee, where he had worked for the Department of Public Safety as a latent fingerprint expert and for the Texas Water Commission; and

WHEREAS, His generosity of spirit and splendid character endear him to all who know him; and

WHEREAS, With a wide spectrum of interests, Bill is an avid outdoorsman, hunter, and fisherman; he also hunts and catches rattlesnakes, along with his faithful dog, Elvira; and

WHEREAS, Bill enthusiastically plants a huge garden each year and awaits the annual crop with anticipation and delight; and

WHEREAS, Devoted to his family, he and his beloved wife, Wandeen, have been married for 34 years and have been blessed with a daughter and son-in-law, Melanie and Jimmy Weise, who bring them much joy; and

WHEREAS, It is indeed a pleasure for the Texas Senate to pay tribute to "Wild Bill" on his 54th birthday for contributing immeasurably to the State of Texas and to his community; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 72nd Legislature, 1st Called Session, hereby extend warm, happy birthday greetings to Bill Sakewitz; and, be it further

RESOLVED, That a copy of this Resolution be prepared for this distinguished Texan as an expression of high regard and appreciation from the Texas Senate.

The resolution was read.

On motion of Senator Brooks and by unanimous consent, the names of the Lieutenant Governor and Senators were added to the resolution as signers thereof.

On motion of Senator Sims, the resolution was adopted by a viva voce vote.

#### **CAPITOL PHYSICIAN**

Senator Barrientos was recognized and presented Dr. Donald E. Lovering of Austin as the "Doctor for the Day."

The Senate welcomed Dr. Lovering and thanked him for his participation in the "Capitol Physician" program sponsored by the Texas Academy of Family Physicians.

Dr. Lovering was accompanied by Shirley Seigler, the Capitol Nurse, who was also introduced to the Senate by Senator Barrientos.

The Senate welcomed Nurse Seigler.

#### **CONFERENCE COMMITTEE ON HOUSE BILL 9**

Senator Glasgow called from the President's table for consideration at this time the request of the House for a Conference Committee to adjust the differences between the two Houses on H.B. 9 and moved that the request be granted.

The motion prevailed.

The President asked if there were any motions to instruct the Conference Committee on H.B. 9 before appointment.

There were no motions offered.

Accordingly, the President announced the appointment of the following conferees on the part of the Senate on the bill: Senators Glasgow, Chair; Green, Leedom, Haley, Zaffirini.

#### **SENATE BILL 3 WITH HOUSE AMENDMENTS**

Senator Montford called S.B. 3 from the President's table for consideration of the House amendments to the bill.

The President laid the bill and the House amendments before the Senate.

#### **Committee Amendment - Rudd, Williamson**

Amend S.B. 3 by substituting the following:

#### **A BILL TO BE ENTITLED AN ACT**

relating to state and local government finances and the cost-effective delivery of governmental services, including the administration, management, use, payment, expenditure, transfer, receipt, and collection of certain state and local revenue, and the authority of certain state agencies to issue bonds and make certain expenditures.

#### **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: ARTICLE 1**

SECTION 1.01. Section 57(a), Certificate of Title Act (Article 6687-1, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) Each applicant for a Certificate of Title or reissuance thereof shall pay to the designated agent (County Tax Assessor-Collector) the sum of Ten Dollars (\$10), of which the first Five Dollars (\$5) shall be accounted for by the County Tax Assessor-Collector and disposed of in the method hereinafter provided; and the

remaining Five Dollars (\$5) shall be forwarded to the State Department of Highways and Public Transportation for deposit in the General Revenue ~~[State Highway]~~ Fund, together with the application for a Certificate of Title, within twenty-four hours after the same has been received by the County Tax Assessor-Collector~~[from which fees the Department shall be entitled and shall use sufficient money to pay all expenses necessary to efficiently administer and perform the duties set forth herein]~~.

SECTION 1.02. (a) The change in law made by this article applies only to a fee imposed on or after the effective date of this article.

(b) This article takes effect December 1, 1991.

#### ARTICLE 2

SECTION 2.01. DEFINITIONS. In this article:

(1) "Participating agency" means the office of the comptroller of public accounts, the General Land Office, the Railroad Commission of Texas, or The University of Texas System.

(2) "Plan" means the comprehensive oil and gas production reporting plan required by Section 2.02 of this article.

SECTION 2.02. COMPREHENSIVE OIL AND GAS PRODUCTION REPORTING PLAN. (a) The comptroller shall review each participating agency's existing policies and procedures for reporting oil and gas production and shall prepare a comprehensive oil and gas production reporting plan that:

(1) establishes a shared data base containing the taxable values, royalty payment information, and production variables needed by each participating agency to meet its responsibilities;

(2) develops a unified and efficient audit process for participating agencies; and

(3) simplifies tax reporting and royalty payment compliance, enforcement, and collection by providing verified production figures.

(b) The plan shall include specific provisions for development and implementation of:

(1) a single automated, integrated, and comprehensive production reporting system for use by all participating agencies to verify reported oil and gas production volumes and values, including procedures to search for failures to report and for errors in reporting and mechanisms for correcting errors;

(2) coordinated participating agency audits, including simultaneous audits of participating agencies, the use of interagency audit teams, and the coordination of audit results;

(3) integrated and simplified reporting requirements for oil and gas production volumes and values through use of a single, unified form to elicit all data required by each participating agency; and

(4) an integrated system for processing and allocating taxes, fees, royalties, and other payments that maximizes interest earned by the state.

(c) In developing the unified production reporting form required under Subsection (b)(3) of this section, the comptroller may consider the March 1, 1988, recommendations of the interagency energy council task force coordinating committee.

SECTION 2.03. AGENCY SUPPORT. The participating agencies shall provide staff to perform research and analyses needed for preparing the plan and shall submit the results to the comptroller in ample time for the preparation of the preliminary and final plans.

SECTION 2.04. AGENCY COMMENT. (a) Not later than March 1, 1992, the comptroller shall submit for comment a preliminary plan to the chief executive officer of each of the other participating agencies.

(b) At least 30 days before adopting a revision to the plan, the comptroller shall submit the proposed change to each of the other participating agencies.

SECTION 2.05. IMPLEMENTATION. (a) Not later than August 1, 1992, the comptroller shall adopt a final plan. Each participating agency shall implement the final plan not later than September 1, 1992, and shall implement any changes made by the comptroller to the plan as early as practicable.

(b) The comptroller may revise the plan as the comptroller considers appropriate.

#### ARTICLE 3

SECTION 3.01. Section 403.016, Government Code, as amended by Section 4, S.B. 1095 and H.B. 1630, Acts of the 72nd Legislature, Regular Session, 1991, is amended to read as follows:

Sec. 403.016. ELECTRONIC FUNDS TRANSFER. (a) Except as provided by Subsection (b), the ~~[The]~~ comptroller shall ~~[may]~~ establish and operate an electronic funds transfer system and ~~[to]~~ transfer directly into payees' accounts in financial institutions only:

(1) employees' gross state salaries, less deductions specifically authorized by state or federal law, or reimbursement for employees' travel and subsistence;

(2) payments to annuitants by the Employees Retirement System of Texas or the Teacher Retirement System of Texas under either system's administrative jurisdiction;

(3) recurring payments to governmental entities; and

(4) payments to vendors designated by the comptroller.

(b) An employee, annuitant, or vendor may be paid by warrant drawn by the comptroller on the treasurer instead of by electronic funds transfer if the employee, annuitant, or vendor shows that he or she cannot establish a qualifying account for electronic funds transfer.

(c) The comptroller may also establish and operate an electronic funds transfer system to transfer directly any portion of employees' gross state salaries into employees' accounts in a money market mutual fund established in the Texas Treasury Safekeeping Trust Company.

~~[(c) An authorized payee must request in writing to participate in the system.]~~

(d) A single transfer may contain payments to multiple payees. Individual warrants are not required for each payee. The comptroller shall establish procedures for administering the system and may use the services of financial institutions, automated clearinghouses, and the federal government.

(e) When a law requires the comptroller to make a payment by warrant, the comptroller may instead make the payment through an electronic funds transfer system. The use of an electronic funds transfer system or any other payment means does not create a right that would not have been created if a state warrant had been used.

SECTION 3.02. Section 1, Article 6826, Revised Statutes, as amended by Section 38, S.B. 1095, Acts of the 72nd Legislature, Regular Session, 1991, is amended to read as follows:

Sec. 1. Except as provided by Section 2 of this article, the annual salaries provided for in this title shall be paid monthly ~~through the~~:

~~[(1) on warrants drawn by the comptroller on the treasurer, or~~

~~[(2) via an] electronic funds transfer system established under [in accordance with] Section 403.016, Government Code, unless paid on warrants as permitted under that section.~~

SECTION 3.03. This article takes effect January 1, 1992.

#### ARTICLE 4

SECTION 4.01. Sections 404.095(a), (b), and (c), Government Code, are amended to read as follows:

(a) This section applies only to a state agency that during the preceding state fiscal year collected or received more than \$50 [~~\$100~~] million in fees, fines, penalties, taxes, charges, gifts, grants, donations, and other funds, excluding federal grants and interest and dividend income.

(b) If during the preceding state fiscal year a person paid a state agency a total of \$500,000 [~~\$2-million~~] or more in a category of payments and the agency reasonably anticipates that during the current state fiscal year the person will pay the agency \$500,000 [~~\$2-million~~] or more in a category of payments, the state agency shall require the person to transfer payment amounts of \$25,000 or more due to the agency in that category, on or before the date the payment is due, by one or more of the means of electronic funds transfer approved by the treasurer. For the purposes of this section, each of the following is a separate category of payments to a state agency:

- (1) fees;
- (2) fines;
- (3) civil penalties;
- (4) taxes, with each type of tax specified by the treasurer being considered a separate category; and
- (5) other payments to the state agency, excluding extraordinary payments such as gifts, grants, donations, interest and dividend income, and onetime surcharges.

(c) A state agency by rule may require a person other than a person subject to Subsection (b) to transfer payment amounts of \$10,000 or more due in a category of payments to the agency on or before the date the payment is due by electronic funds transfer if the person paid the agency a total of \$250,000 [~~\$500,000~~] or more in that category of payments.

SECTION 4.02. Subchapter F, Chapter 404, Government Code, is amended by adding Section 404.096 to read as follows:

Sec. 404.096. RAPID DEPOSITS, TRANSACTIONS, AND TRANSFERS REQUIRED. According to a schedule established by the treasurer, the treasurer shall conduct a study of each state agency that collects or receives \$50 million or more a year from all sources or processes 100,000 or more transactions a year of any kind to determine whether implementing a program for the rapid administration of deposits or transactions by the agency or for the rapid transfer of revenue or information to or from the state agency would result in a net savings of state revenue. If the treasurer determines that the implementation of a program for the rapid administration of deposits or transactions or for the rapid transfer of revenue or information to or from the state agency would result in a net savings of state revenue, the treasurer may require the agency to implement a program for that rapid administration or transfer that meets the specifications of the treasurer.

SECTION 4.03. Section 111.053, Tax Code, is amended to read as follows:

Sec. 111.053. FILING DATES: WEEKENDS AND HOLIDAYS. (a) If the date on which a report or payment of any state tax is due falls on a Saturday, Sunday, or legal holiday included on the list published for the year under Subsection (b), the next day that is not a Saturday, Sunday, or legal holiday included on that list becomes the due date.

(b) Before January 1 of each year, the treasurer shall publish in the Texas Register and distribute to each state agency that receives reports or payments of any taxes a list of the legal holidays for banking purposes for that year. The treasurer may not include on the list a holiday on which the treasurer determines that most financial institutions will be conducting ordinary business.

(c) An agency that collects a tax for which a due date for a report or payment falls on a legal holiday not included on the list published under Subsection (b) shall ensure that a taxpayer may make a report or payment on that date. The agency may



enter into an agreement with the treasurer or the comptroller for the receipt of reports or payments on that date.

SECTION 4.04. (a) Sections 4.01 and 4.02 of this article take effect September 1, 1991, but only if any portion of this Act may take effect in accordance with law before the 90th day after the adjournment of the session of the legislature in which this Act is enacted; otherwise, this article takes effect on the first day of the first month that begins at least 90 days after the adjournment of that session of the legislature.

(b) Section 4.03 of this article takes effect December 1, 1991.

#### ARTICLE 5

SECTION 5.01. Subchapter B, Chapter 402, Government Code, is amended by adding Section 402.0211 to read as follows:

Sec. 402.0211. PROVISION OF LEGAL SERVICES. (a) Except as provided by this section, the attorney general shall provide all legal services for each agency in the executive department of the state government. This section does not apply to an institution of higher education, as defined by Section 61.003, Education Code.

(b) The legislature may appropriate revenue to the attorney general to provide legal services to an agency under this section or may appropriate revenue to an agency from which the agency may reimburse the attorney general for the costs of providing legal services under this section. The attorney general shall adopt a schedule of the costs of providing legal services to agencies under this section. If the legislature appropriates revenue to an agency for the reimbursement of the attorney general's costs of providing legal services to the agency, the attorney general shall adopt a billing system as necessary to administer the reimbursement.

(c) An agency covered by Subsection (a) may employ or retain attorneys other than the attorney general to provide legal services for the agency only to the extent that:

(1) funds are specifically appropriated for that purpose; or

(2) the employment or retention is authorized by the attorney general under Subsection (d).

(d) The attorney general shall authorize a state agency covered by this section to employ or retain an attorney to provide legal services to represent the agency in any matter if the attorney general determines that representation of the agency by the attorney general would constitute a conflict of interest or may reasonably be considered to violate the standards of conduct generally applicable to attorneys. For purposes of this subsection, a conflict of interest exists if the attorney general's office performs both quasi-judicial functions and prosecutorial or other quasi-executive functions in the same proceeding. The attorney general shall adopt standards and rules as necessary to implement this subsection.

(e) A contract for legal services between an attorney, other than a full-time employee of the agency, and a state agency in the executive department, other than an agency established by the Texas Constitution, must be approved by the attorney general.

(f) For purposes of this section, the functions of a hearing examiner, administrative law judge, or other quasi-judicial officer are not considered legal services.

(g) The attorney general shall adopt a plan for the implementation of this section before January 1, 1992. The attorney general shall comply with this section before September 1, 1992. This subsection expires January 1, 1993.

#### ARTICLE 6

SECTION 6.01. Title 110A, Revised Statutes, is amended by adding Article 6252-5e to read as follows:

Art. 6252-5e. COLLECTION OF DELINQUENT OBLIGATIONS TO STATE

Sec. 1. DEFINITIONS. In this article:

(1) "Obligation" includes a debt, judgment, claim, account, fee, fine, tax, penalty, interest, loan, charge, or grant.

(2) "State agency" means any agency, board, commission, institution, or other unit of state government.

Sec. 2. COLLECTION PROCESS TO BE ESTABLISHED. (a) The attorney general shall adopt uniform rules relating to the process by which a state agency collects a delinquent obligation owed to the agency and establishing a reasonable period for that collection. Not later than the 30th day after the date a state agency determines that normal agency collection procedures for an obligation owed to the agency have failed, the agency shall report the uncollected and delinquent obligation to the attorney general for further collection efforts.

(b) The attorney general may develop specific reporting procedures for each state agency and may adopt rules relating to the reports, including rules specifying when an agency must report and what information must be included in the report.

(c) The attorney general shall adopt the initial rules for a uniform collection process under Subsection (a) of this section before September 1, 1992. This subsection expires January 1, 1993.

Sec. 3. RECOVERY OF ATTORNEY'S FEES AND OTHER COSTS. In any proceeding under this article or any other law authorizing or requiring the attorney general to collect a delinquent obligation, or in any other proceeding by which the state seeks to collect or recover a delinquent obligation or damages, the attorney general may charge, seek, recover, and collect reasonable attorney's fees, investigative costs, and court costs incurred on behalf of the state in the proceeding in the same manner as provided by general law for a private litigant.

Sec. 4. COLLECTION OR APPROVAL BY ATTORNEY GENERAL. A state agency, before contracting with, retaining, or employing any person other than a full-time employee of the agency for collection of any obligation, shall request the attorney general to collect the obligation. If the attorney general cannot do so, the attorney general may authorize the requesting state agency to employ, retain, or contract with a person other than a full-time employee of the agency to collect the obligation.

Sec. 5. RETENTION OF COLLECTION FEE. An obligation reported to the attorney general under this article is subject to a collection fee for the use and benefit of the attorney general as provided by legislative appropriation. The attorney general may collect the fee by retaining the amount of the fee from the amount of the obligation collected.

SECTION 6.02. Section 402.022, Government Code, is repealed.

SECTION 6.03. A county or district attorney representing the state in the collection of an obligation owed to the state on the effective date of this article shall, at the direction of the attorney general, continue the representation or transfer representation to the attorney general.

SECTION 6.04. This article takes effect September 1, 1991, but only if any portion of this Act may take effect in accordance with law before the 90th day after the adjournment of the session of the legislature in which this Act is enacted; otherwise, this article takes effect on the first day of the first month that begins at least 90 days after the adjournment of that session of the legislature.

#### ARTICLE 7

SECTION 7.01. Section 9c(a), Texas Unemployment Compensation Act (Article 5221b-7c, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) The Advance Interest Trust Fund is established. The fund is a trust fund in the custody of the State Treasurer and may be used without appropriation by the Governor for the purpose of paying interest incurred on advances from the federal Unemployment Trust Fund, incurred on any bonds issued to reduce or avoid

federal advances to the unemployment compensation fund, and to repay temporary transfers of surplus cash which may be made between this fund and other funds. The State Treasurer and the Comptroller shall transfer all income earned after September 1, 1988, [Income] from investment of the fund [shall be deposited] to the Unemployment Compensation Special Administration Fund for the administration of the pay day law (Article 5155, Revised Statutes), Texas Minimum Wage Act (Article 5159d, Vernon's Texas Civil Statutes), and the child labor law, Chapter 531, Acts of the 67th Legislature, Regular Session, 1981 (Article 5181.1, Vernon's Texas Civil Statutes) [credit of the fund]. [If the amount of the fund exceeds the amount required to pay interest incurred on advances and on any bonds issued to reduce or avoid federal advances to the unemployment compensation fund, the Governor shall transfer all or part of the surplus to the unemployment compensation fund for the payment of benefits.] If the Governor, upon the advice of the Commission, determines that funds in the unemployment compensation fund will be depleted at the time payment on an advance from the federal Unemployment Trust Fund is due, and that depletion of the funds will cause the loss of some portion of the credit received by employers against their federal unemployment tax rate, or if the Governor determines that payment of interest on a federal loan can be avoided by keeping the balance of the unemployment compensation fund positive, the Governor may authorize the Commission to transfer money from the Advance Interest Trust Fund to the unemployment compensation fund.

#### ARTICLE 8

SECTION 8.01. Chapter 751, Government Code, as added by S.B. 448, Chapter 38, Acts of the 72nd Legislature, Regular Session, 1991, is amended to read as follows:

#### CHAPTER 751. OFFICE OF STATE-FEDERAL RELATIONS

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 751.001. DEFINITIONS. In this chapter:

(1) "Board" means the Office of State-Federal Relations Advisory Policy Board.

(2) "Director" means the director of the Office of State-Federal Relations.

(3) [(2)] "Office" means the Office of State-Federal Relations.

(4) "State agency" means a state board, commission, department, institution, or officer having statewide jurisdiction, including a state college or university.

Sec. 751.002. OFFICE OF STATE-FEDERAL RELATIONS. The Office of State-Federal Relations is an agency of the state and operates within the executive department.

Sec. 751.003. SUNSET ACT APPLICABILITY. The office is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the office is abolished and this chapter expires September 1, 1995.

Sec. 751.004. APPOINTMENT AND TERM OF DIRECTOR. (a) The governor, with the advice and consent of the senate, shall appoint a director of the office.

(b) The director serves at the pleasure of the governor.

Sec. 751.005. GENERAL POWERS AND DUTIES OF DIRECTOR. (a) The director shall exercise the powers and carry out the duties prescribed by this section in order to act as a liaison from the state to the federal government.

(b) The director shall:

(1) help coordinate state and federal programs dealing with the same subject;

(2) inform the governor and the legislature of federal programs that may be carried out in the state or that affect state programs;

(3) provide federal agencies and the United States Congress with information about state policy and state conditions on matters that concern the federal government;

(4) provide the legislature with information useful in measuring the effect of federal actions on the state and local programs; and

(5) prepare ~~[an annual report of the office's operations and recommendations]~~ and supply ~~[a copy of the report]~~ to the governor and all members of the legislature an annual report that:

(A) describes the office's operations;

(B) contains the office's priorities and strategies for the following year;

(C) details projects and legislation pursued by the office;

(D) discusses issues in the following congressional session of interest to this state; and

(E) contains an analysis of federal funds availability and formulae.

(c) The director may maintain office space at locations inside and outside the state as chosen by the director.

Sec. 751.006. STAFF; CAREER LADDER PROGRAM. (a) The director may employ staff necessary to carry out the director's powers and duties under this chapter.

(b) The director or the director's designee shall develop an intraagency career ladder program that includes the intraagency posting of all nonentry level positions for at least 10 days before the date of any public posting.

(c) The director or the director's designee shall develop a system of annual performance evaluations based on measurable job tasks and merit pay for staff must be based on this system.

Sec. 751.007. LOBBYIST RESTRICTION. A person required to register as a lobbyist under Chapter 305 may not act as general counsel of the office.

Sec. 751.008. PUBLIC INFORMATION AND COMPLAINTS. (a) The director shall:

(1) prepare information of public interest describing the director's functions and the procedures by which complaints are filed with and resolved by the director;

(2) make the information available to the public and appropriate state agencies; and

(3) maintain an information file on each complaint filed relating to an office activity.

(b) If a written complaint relating to an office activity is filed with the director, the director, at least quarterly and until final disposition of the complaint, shall notify the parties to the complaint of the status of the complaint unless the notice would jeopardize an undercover investigation.

Sec. 751.009. CONTRIBUTIONS. (a) The office may accept contributions that the office determines will further the objectives of the office.

(b) A contribution may not be used to pay any part of the compensation of a person who is an officer or employee of the office on the date the office receives the contribution.

Sec. 751.010. OFFICE OF STATE-FEDERAL RELATIONS ADVISORY POLICY BOARD. (a) The Office of State-Federal Relations Advisory Policy Board consists of:

(1) the governor;

(2) the lieutenant governor; and

(3) the speaker of the house of representatives.

(b) A member of the board may designate a person to perform the member's duties on the board.

(c) The board, by majority vote, shall select a chairman of the board.

(d) A majority of the members of the board constitutes a quorum to transact business.

(e) The board shall meet before the beginning of each congressional session and at the call of the chairman.

Sec. 751.011. BOARD DUTIES. The board shall review the office's priorities and strategies set forth in the annual report and deliver to the director any suggested modifications.

Sec. 751.012. INTERAGENCY CONTRACTS. The office may enter into interagency contracts with other state agencies to locate staff of the other state agency in Washington, D.C., to work under the office's supervision.

[Sections 751.013-751.020 reserved for expansion]

#### SUBCHAPTER B. FEDERAL FUNDS MANAGEMENT

Sec. 751.021. DEFINITIONS. In this subchapter:

(1) "Earned federal funds" means funds that are received or earned in connection with a federally funded program but that are not required by the governing agreement to be disbursed on that program. The term includes indirect cost receipts and interest earned on advances of federal funds.

(2) "Federal funds" means all assistance provided or potentially available to state agencies from the federal government in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, direct appropriations, or any other method of disbursement.

(3) "Indirect costs" means costs, as defined by Federal Management Circular A-87 or subsequent revisions of that circular, that are incurred by state agencies in support of federally funded programs and that are eligible for reimbursement from the federal government.

(4) "Local governmental entity" means a county, municipality, special purpose district, including a school district, or any other political subdivision of this state.

(5) "State funds" means all assistance provided or potentially available to state agencies from the state government in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, direct appropriations, or any other method of disbursement.

Sec. 751.022. POWERS AND DUTIES. (a) The office has primary responsibility for monitoring, coordinating, and reporting on the state's efforts to ensure receipt of an equitable share of federal funds.

(b) The office shall:

(1) serve as the state's clearinghouse for information on federal and state funds;

(2) prepare reports on federal funds and earned federal funds;

(3) monitor the federal register, the Texas Register, and other federal or state publications to identify federal and state funding opportunities, with special emphasis on discretionary grants or other funding opportunities that the state is not pursuing;

(4) develop procedures to formally notify appropriate state and local agencies of the availability of federal funds and coordinate the application process;

(5) periodically review the funding strategies and methods of those states that rank significantly above the national average in the per capita receipt of federal funds to determine whether those strategies and methods could be successfully employed by this state;

(6) analyze proposed and pending federal and state legislation to determine whether the legislation would have a significant negative effect on the state's ability to receive an equitable share of federal funds;

(7) make recommendations for coordination between state agencies and local governmental entities and between state agencies; and

(8) adopt rules, under the rulemaking procedures of the Administrative Procedure and Texas Register Act (Article 6252-13a, Vernon's Texas Civil Statutes), as necessary to carry out the responsibilities assigned by this subchapter.

(c) The office shall annually prepare a comprehensive report to the legislature on the effectiveness of the state's efforts to ensure receipt of an equitable share of federal funds for the preceding federal fiscal year. The report must include:

(1) an executive summary that provides an overview of the major findings and recommendations included in the report;

(2) a comparative analysis of the state's receipt of federal funds relative to other states, prepared using the best available sources of data;

(3) an analysis of federal funding trends that may have a significant effect on resources available to the state;

(4) a description of any instances in which the state or a state agency has not pursued available opportunities to receive federal funds or earned federal funds and the reason for the failure to pursue the opportunity; and

(5) recommendations, developed in consultation with the Legislative Budget Board and the comptroller, for any state legislative or administrative action necessary to increase the state's receipt of federal funds, enhance the recovery of indirect costs, or otherwise improve the state's management of federal funds or earned federal funds.

(d) Each state agency shall designate an employee on the management or senior staff level to serve as the agency's federal funds coordinator. An agency may not create a staff position for a federal funds coordinator. The coordinator's duties are additional duties of an employee of the agency. Each federal funds coordinator shall:

(1) oversee and coordinate the agency's efforts in acquiring federal funds;

(2) send the office a quarterly report listing the grants for which the agency has applied and listing the catalogue of federal domestic assistance number and giving a short description of the grant; and

(3) notify the office of the award or denial of a federal grant to the agency.

(e) Each state agency or institution shall file an annual report with the office concerning the agency's efforts in acquiring available federal funds during the preceding state fiscal year. The office shall establish guidelines for information included in the annual report required by this section. The office shall evaluate the effectiveness of each agency in acquiring federal funds and shall report to the governor and the Legislative Budget Board.

(f) If the governor or Legislative Budget Board, after reviewing the reports under Subdivision (e), determines that any agency's efforts were unsatisfactory, either entity may, without a finding of an existing emergency, take action under Chapter 317 to affect the agency's appropriation.

[Sections 751.023-751.040 reserved for expansion]

#### **SUBCHAPTER C. GRANT ASSISTANCE**

Sec. 751.041. GRANT WRITING TEAM. (a) The director shall establish a state grant writing team in the office. The principal office of the team must be located in Austin, Texas. The director may provide for the team to maintain an office in the District of Columbia.

(b) The grant writing team shall:

(1) develop a plan for increased access by the state to available federal funds; and

(2) coordinate with other state agencies to develop a plan for the use of federal grant funds.

Sec. 751.042. GRANT INFORMATION. The office may:

(1) establish a clearinghouse of information relating to the availability of state, federal, and private grants;

(2) establish an automated information system data base for grant information and make it available for use by state agencies and political subdivisions;

(3) provide counseling to state agencies, political subdivisions of the state, nonprofit charitable institutions, educational institutions, and residents of the state relating to the availability and means of obtaining state, federal, and private grants;

(4) provide, or enter contracts with appropriate entities to provide, assistance in writing grant proposals to individuals and through workshops and institutional assistance;

(5) publicize the services and activities of the grant-writing team through chambers of commerce, councils of government, department newsletters, local governments, state agencies, institutions of higher education, business organizations, private philanthropic organizations, and other appropriate entities and methods;

(6) maintain a list of approved grant managers for grant projects that require grant managers; and

(7) analyze the criteria for grants for which state agencies are denied access because of state law or rules or agency organization, and suggest to an affected state agency changes in rules or organization that would increase the probability of the agency's receiving federal or other grants.

Sec. 751.043. FEES. When appropriate, the office shall charge and collect fees from persons who use the grant-writing team's services and who receive a grant. The fees shall be set in amounts necessary to cover all or a part of the costs of carrying out this subchapter.

SECTION 8.02. Subchapter W, Chapter 481, Government Code, is repealed.

SECTION 8.03. (a) As soon as practicable after the effective date of this article, the Texas Department of Commerce shall transfer to the Office of State-Federal Relations all records in the department's possession that relate to the administration of Subchapter W, Chapter 481, Government Code (repealed by this article).

(b) On the effective date of this article, the Office of State-Federal Relations assumes the outstanding obligations of the Texas Department of Commerce with respect to any existing contracts entered into by the department before the effective date of this article under Subchapter W, Chapter 481, Government Code (repealed by this article).

#### ARTICLE 9

SECTION 9.01. Section 6, Texas Internal Auditing Act (Article 6252-5d, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 6. DUTIES OF INTERNAL AUDITOR. The internal auditor shall:

(1) report directly to the agency's governing board or commission with access to the agency administrator;

(2) develop an annual audit plan, which shall be approved by the governing board of the agency or its designee, or by the administrator of an agency without a governing board;

(3) conduct audits as specified in the audit plan with documented deviations;

(4) prepare audit reports, which shall be reviewed by the agency administrator and the agency's governing board or commission;

(5) conduct quality assurance reviews in accordance with professional standards and periodically take part in a comprehensive external peer review; [and]

(6) be free of all operational and management responsibilities that would impair the ability to make independent reviews of all aspects of the agency's operations; and

(7) ensure that at least 20 percent of internal audit time under this Act is devoted to the performance of economy and efficiency audits, and at least 20 percent of internal audit time under this Act is devoted to the performance of program results audits.

SECTION 9.02. The Texas Internal Auditing Act (Article 6252-5d, Vernon's Texas Civil Statutes) is amended by adding Section 6A to read as follows:

Sec. 6A. ANNUAL REPORTS. (a) In addition to the duties prescribed by Section 6 of this Act, the internal auditor shall, before October 1 of each year, prepare an annual report and submit the report to the governor, the Legislative Budget Board, the Sunset Commission, the state auditor, the agency's governing board and the agency administrator.

(b) The report must contain:

(1) a copy of the annual audit plan;

(2) a list of audits completed;

(3) an explanation of any deviation from the approved annual audit plan;

(4) a narrative description of the most significant findings and recommendations for each audit;

(5) a narrative description of the management actions taken in response to the audit findings and recommendations;

(6) a table listing the auditor's audit recommendations and the five-year fiscal impact for each audit recommendation;

(7) a table of the audit recommendations from the previous fiscal year's report and an explanation of the status of each recommendation; and

(8) a statement of the last date on which an external peer review of the agency's internal audit program was conducted.

(c) Each recommendation must show whether:

(1) the recommendation has been implemented;

(2) the recommendation is in the process of implementation;

(3) action on implementation of the recommendation has been delayed; or

(4) the agency does not intend to take action on the recommendation.

(d) Findings in key areas that are difficult to quantify, including weaknesses in management controls or quality of services, shall be highlighted and emphasized in the report.

SECTION 9.03. Section 321.013, Government Code, is amended by adding Subsection (j) to read as follows:

(j) The State Auditor shall, before December 1 of each year, comprehensively analyze each annual report prepared under Section 6A, Texas Internal Auditing Act (Article 6252-5d, Vernon's Texas Civil Statutes), and publish a summary of the State Auditor's findings. The summary must include all major internal audit findings, conclusions, and recommendations, and must identify and analyze issues that are common to more than one state agency.

#### ARTICLE 10

SECTION 10.01. DEFINITIONS. In this article:

(1) "Board" means the Texas Water Development Board.

(2) "Master contract" means the master contract between Red Bluff District and member districts dated March 8, 1934.



(3) "Member district" means any one of the seven member districts of Red Bluff District, which are:

- (A) Loving County Water Improvement District  
No. One;
- (B) Reeves County Water Improvement District  
No. Two;
- (C) Ward County Water Improvement District  
No. Three;
- (D) Ward County Irrigation District Number One;
- (E) Ward County Water Improvement District  
No. Two;
- (F) Pecos County Water Improvement District  
No. Two; and
- (G) Pecos County Water Improvement District  
No. Three.

(4) "Pecos River compact account" means the special account in the water assistance fund of the board created under Section 15.702, Water Code.

(5) "Red Bluff District" means the Red Bluff Water Power Control District, a water power control district created under Chapter 76, General Laws, Acts of the 43rd Legislature, Regular Session, 1933 (Article 7807d, Vernon's Texas Civil Statutes), and repealed, but continued in effect for the sole purpose of the administration and operation of any water control and preservation district created under that chapter, by Section 50.258, Water Code.

(6) "Distribution date" means the date of the distribution of funds held in the Pecos River compact account from the board to Red Bluff District under this article.

**SECTION 10.02. DISTRIBUTION OF FUNDS BY BOARD.** Notwithstanding the provisions of any other law, the board shall promptly distribute all funds, including the principal amount and all accrued interest, in the Pecos River compact account to Red Bluff District.

**SECTION 10.03. ADMINISTRATION AND USE OF FUNDS.** (a) The funds received by Red Bluff District under this article, together with any interest earned on the funds, shall be maintained and accounted for separately from all other revenue. The funds, other than interest or income earned on the funds on or after March 1, 1990, may be used by Red Bluff District or a member district only for agricultural or irrigation projects, including associated water quality improvement projects that affect surface water irrigators in the counties of Loving, Ward, Reeves, and Pecos. The projects may include the operation of the Red Bluff District and member districts and the maintenance of its water supply reservoir, associated downstream diversion facilities, and internal distribution systems.

(b) Interest and income earned on the account or accounts maintained under Subsection (a) of this section shall be transferred to the state treasurer at times established by the state treasurer. The state treasurer shall deposit that revenue to the credit of the general revenue fund.

(c) On receipt of funds from the board under this article, Red Bluff District shall promptly transfer all interest earned on the Pecos River compact account on or after March 1, 1990, and as of the distribution date to the state treasurer for deposit to the credit of the general revenue fund.

(d) Red Bluff District shall invest the funds received under this article, and any undistributed interest or income on those funds, in accordance with the Public Funds Investment Act of 1987 (Article 842a-2, Vernon's Texas Civil Statutes). Red Bluff District shall comply with the Public Funds Collateral Act (Article 2529d, Vernon's Texas Civil Statutes) to the extent applicable.

(e) Red Bluff District may not spend any portion of the funds received under this article unless an affirmative vote in favor of the expenditure is received from:

- (1) the board of directors of Red Bluff District; and
- (2) the boards of directors of at least five of the member districts.

SECTION 10.04. ANNUAL ACCOUNTING. Red Bluff District shall provide an annual accounting of its administration of funds under this article and of the amount of interest earned to the state treasurer, each member district, and the board.

SECTION 10.05. REPEALER. Subchapter K, Chapter 15, Water Code, is repealed.

SECTION 10.06. EFFECTIVE DATE. This article takes effect September 1, 1991, but only if any portion of this Act may take effect in accordance with law before the 90th day after the adjournment of the session of the legislature in which this Act is enacted; otherwise, this article takes effect on the first day of the first month that begins at least 90 days after the adjournment of that session of the legislature.

#### ARTICLE 11

SECTION 11.01. Section 403.001, Government Code, is amended to read as follows:

Sec. 403.001. DEFINITIONS [DEFINITION]. (a) In any state statute, "comptroller" means the comptroller of public accounts of the State of Texas.

(b) In this chapter:

- (1) "Account" means a subdivision of a fund.
- (2) "Dedicated revenue" means revenue set aside by law for a particular purpose or entity.
- (3) "Fund" means a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources.
- (4) "Special fund" means a fund, other than the general revenue fund, that is established by law for a particular purpose or entity.

SECTION 11.02. Section 403.071(d), Government Code, is amended to read as follows:

(d) A warrant may not be drawn against an appropriation from a special fund or account unless the fund or account contains in the state treasury sufficient cash to pay the warrant. The comptroller may not release or deliver a warrant unless the appropriation against which the warrant is drawn has a balance sufficient to pay the warrant.

SECTION 11.03. Section 403.091, Government Code, as amended by Section 5, S.B. 1004, Acts of the 72nd Legislature, Regular Session, 1991, is redesignated as Section 403.0915, Government Code, and amended to read as follows:

Sec. 403.0915 ~~[403.091]~~. DORMANT FUND OR ACCOUNT. At any time the comptroller, with the consent and approval of the state treasurer and with notification to the state auditor, may transfer to the general revenue fund a balance in a dormant fund or account if the source of the fund or account is unknown or the purpose for which it was collected is moot. The legislature at any time after the transfer may appropriate the balance as a refund if the source and purpose of the fund or account become known and active. The comptroller shall report any dormant funds or accounts to the Funds Review Advisory Committee.

SECTION 11.04. Subchapter F, Chapter 403, Government Code, is amended by adding Sections 403.094, 403.095, and 403.096 to read as follows:

Sec. 403.094. CONSOLIDATION OF FUNDS; ABOLITION OF DEDICATIONS. (a) The comptroller may abolish any fund or account in existence on August 31, 1993. The money in the abolished funds or accounts shall be merged, combined, or segregated into the general revenue fund or other funds as determined by the comptroller under Subsection (e). The comptroller may establish accounts in the general revenue fund or other funds to identify each source of revenue.

(b) The comptroller may segregate an account in a fund and combine the account into any other fund in existence on August 31, 1993.

(c) The comptroller may determine the fund and account into which dedicated revenues must be deposited. The comptroller may combine two or more funds or dedications of revenue in the same fund if separate accounts are maintained to properly account for state revenues and expenditures.

(d) The comptroller shall, to the extent possible, merge funds in existence on August 31, 1993, into the general revenue fund. Funds that cannot be merged into the general revenue fund because of constitutional, federal, or other restrictions shall be grouped into separate funds that conform to the groupings used in the Texas Annual Cash Report or as necessary to conform to generally accepted accounting principles.

(e) The comptroller may designate or create additional funds as necessary for the prudent management of the state's fiscal affairs or as required by the state constitution or federal law. The comptroller may combine funds or dedications of revenue within a particular fund if accounts are maintained to properly account for state revenues and expenditures.

(f) All outstanding cash, assets, liabilities, receivables, appropriations, and fund equity from funds and accounts merged, combined, or segregated by the comptroller under Subsections (a) through (e) shall be transferred not later than August 31, 1993, to the general revenue fund or other fund designated by the comptroller under Subsection (e).

(g) Notwithstanding the combination, merger, or segregation of any fund or account by the comptroller under this section, the same guidelines, restrictions, amounts, and limitations apply to appropriations and expenditures made from dedicated revenue sources that would apply to appropriations and expenditures from separate funds maintained for those dedicated revenues.

(h) All funds or special accounts, whether in or outside the state treasury, in existence on August 31, 1993, established by state statute dedicating state revenue for a particular purpose or entity are abolished on that date, and all statutory dedications of state revenue, other than statutory dedications enacted to comply with state constitutional or federal requirements, enacted before that date are null and void as of that date.

(i) The comptroller may merge, consolidate, or segregate as an account within another fund group a fund created after August 31, 1993, unless expressly provided otherwise by the law creating the fund.

(j) This section does not apply to:

(1) funds held in trust or escrow for the benefit of any person or entity other than a state agency;

(2) funds created by the constitution or a court;

(3) funds pledged to the payment of bonds, notes, or other debt;

(4) funds for revenue to be expended only by an agency or entity in the judicial branch of government;

(5) funds for which separate accounting is required by federal law; or

(6) local funds or local fund accounts held or retained by an institution of higher education, as that term is defined by Section 61.003, Education Code.

(k) A state agency may not change the amount of any fee the revenue of which constituted dedicated revenue before the effective date of this section if the dedication is nullified by Subsection (h). This subsection expires September 1, 1993.

Sec. 403.095. USE OF DEDICATED REVENUE. (a) Notwithstanding any action taken by the comptroller under Section 403.094, revenue that has been set aside by law for a particular purpose or entity is available for that purpose or entity to the extent money is appropriated for that purpose or entity. Expenditures made

in furtherance of the dedicated purpose or entity shall be made from money received from the dedicated revenue source to the extent those funds are appropriated.

(b) Notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, dedicated revenues that, at the end of a fiscal year, exceed the amount appropriated are available for general governmental purposes. This subsection does not apply to revenues in:

- (1) funds outside the treasury;
- (2) trust funds;
- (3) funds created by the constitution or a court; or
- (4) funds for which separate accounting is required by federal law.

Sec. 403.096. FUNDS REVIEW ADVISORY COMMITTEE. (a) The Funds Review Advisory Committee is created.

(b) The committee is composed of the following members or their designees:

- (1) the governor;
- (2) the comptroller;
- (3) the state treasurer;
- (4) the state auditor; and
- (5) the director of the Legislative Budget Board.

(c) On or before November 1 of each even-numbered year, the committee shall submit a comprehensive report on existing special funds, accounts, and dedications of revenue to the governor, the legislature, and the director of the Legislative Budget Board. The report shall contain recommendations concerning whether to continue or eliminate any funds, accounts, or dedications. The report shall also contain recommendations concerning the consolidation of funds or accounts. The committee shall determine which funds and accounts will be considered in each report. In making its recommendations, the committee shall consider:

- (1) whether the fund or account continues to serve the purpose for which it was created;
- (2) whether the fund or account has the capacity to satisfy expenditures from the fund or account through the revenue deposited into the fund or account;
- (3) whether there is a clear link between the benefit sought and charges assessed; and
- (4) whether a separate fund or account is justified.

(d) At least two months before submitting its report, the committee shall request comments from agencies whose funds might be affected by the recommendations. The agencies shall submit any comments to the committee in writing in the time established by the committee.

(e) The governor's office of budget and planning and the Legislative Budget Board shall consider the committee's recommendations in making their budget and appropriations recommendations to the legislature.

(f) Each agency or office represented on the committee shall provide staff for the committee. A staff member remains as an employee of the represented agency or office for all purposes.

(g) State agencies shall provide the committee with any information or assistance the committee needs to fulfill its duties.

(h) The committee may conduct audits, special studies, or inquiries as necessary to fulfill its duties.

#### ARTICLE 12

SECTION 12.01. Section 17.179, Water Code, is amended by adding Subsection (d) to read as follows:

(d) With respect to projects for which financial assistance is made available under this chapter, the board shall file semiannually with the bond review board established under Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987

(Article 717k-7, Vernon's Texas Civil Statutes), a report on the performance of loans made by the board in connection with the projects. The bond review board shall review the reports filed by the board under this subsection to assess the adequacy of the security for the bonds purchased. The filing dates and the contents of the reports must comply with any rules adopted by the bond review board.

SECTION 12.02. Subchapter F, Chapter 161, Natural Resources Code, is amended by adding Section 161.2111 to read as follows:

Sec. 161.2111. REPORT TO BOND REVIEW BOARD. With respect to purchases made under this chapter, the board shall file semiannually with the bond review board established under Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes), a report on the performance of loans made by the board in connection with the purchases. The bond review board shall review the reports filed by the board under this section to assess the performance of loans made under this chapter. The filing dates and the contents of the reports must comply with any rules adopted by the bond review board.

SECTION 12.03. Section 162.003, Natural Resources Code, is amended by adding Subsection (e) to read as follows:

(e) With respect to loans made under the program, the board shall file semiannually with the bond review board established under Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes), a report on the performance of the loans. The bond review board shall review the reports filed by the board under this subsection to assess the performance of loans made under the program. The filing dates and the contents of the reports must comply with any rules adopted by the bond review board.

SECTION 12.04. Subchapter B, Chapter 21, Parks and Wildlife Code, is amended by adding Section 21.1061 to read as follows:

Sec. 21.1061. REPORT TO BOND REVIEW BOARD. The commission shall file with the bond review board established under Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes), a report on the performance of the interest and sinking fund and the development fund. The bond review board shall review the reports filed by the commission under this section to assess the performance of the funds in repaying bonds issued under this chapter. The filing dates and the contents of the reports must comply with any rules adopted by the bond review board.

SECTION 12.05. Section 52.17, Education Code, is amended by adding Subsection (f) to read as follows:

(f) With respect to loans granted under this chapter, the board shall file semiannually with the bond review board established under Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes), a report on the performance of the loans and the interest and sinking fund. The bond review board shall review the reports filed by the board under this subsection to assess the performance of the loans under this chapter and the interest and sinking fund. The filing dates and the contents of the reports must comply with any rules adopted by the bond review board.

#### ARTICLE 13

SECTION 13.01. Section 55.01, Education Code, is amended by adding Subdivision (3) to read as follows:

(3) "Bond review board" means the bond review board established under Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes).

SECTION 13.02. Section 55.13, Education Code, is amended to read as follows:

Sec. 55.13. **AUTHORITY TO ISSUE REVENUE BONDS.** (a) For the purpose of providing funds to acquire, purchase, construct, improve, enlarge, and/or equip any property, buildings, structures, activities, services, operations, or other facilities, for and on behalf of its institution or institutions, or any branch or branches thereof, each board may issue its revenue bonds from time to time and in one or more issue or series, to be payable from and secured by liens on and pledges of all or any part of any of the revenues, income, or receipts of the board and its institution or institutions, or any branch or branches thereof, including, without limitation, any rentals, rates, charges, fees, or other resources, in the manner provided by this subchapter.

(b) With respect to all institutions the bond review board shall exercise the authority of a board to issue revenue bonds on behalf of such institution or institutions, or any branch or branches thereof, in the manner provided by this subchapter, including the authority to issue refunding bonds under Section 55.19 of this code. In connection with the issuance of bonds under this chapter, the bond review board is considered the issuer of the bonds and has all of the rights and duties granted or assigned to, and is subject to the same conditions as, a board under this chapter.

SECTION 13.021. Subchapter B, Chapter 55, Education Code, is amended by adding Section 55.1712 to read as follows:

Sec. 55.1712. **LAREDO STATE UNIVERSITY.** (a) The board of regents of The Texas A&M University System may acquire, purchase, construct, improve, enlarge, and equip property, buildings, structures, facilities, roads, sidewalks, landscapes, and related infrastructure for Laredo State University. The board may finance said facilities through the issuance of bonds pursuant to this subchapter and in accordance with its existing system-wide revenue financing program and may pledge irrevocably to the payment of those bonds all or any part of the aggregate amount of student tuition charges required or authorized by law to be imposed on students enrolled at Laredo State University, limited to an amount of tuition not offset by general revenue reductions; and the amount of any pledge so made shall never be reduced or abrogated while the bonds, or bonds issued to refund the bonds, are outstanding. Bonds issued pursuant to this subsection may not be issued in an aggregate principal amount exceeding \$30 million.

(b) The bonds issued under this section and the facilities financed by those bonds are subject to all approvals then required by law.

SECTION 13.03. Section 55.41, Education Code, is amended to read as follows:

Sec. 55.41. **REFUNDING BONDS.** The governing board of any institution which has heretofore issued or which hereafter issues bonds or notes pursuant to the authority of Article VII, Section 17, of the Texas Constitution, as amended, whether acting on its own behalf or through the bond review board, may request the bond review board to issue refunding bonds to refinance or refund any or all of the bonds or notes by the issuance of its refunding bonds; and the governing board may pledge all or any part of the funds allotted pursuant to that section of the constitution to any institution governed by the board to secure the refunding bonds issued pursuant to this section. The refunding bonds shall be issued in the amounts, and bear interest at the rates, determined by the governing board, or by the bond review board, if the bond review board is required to issue the bonds on behalf of the board of the institution under Section 55.13(b) of this code, provided that such interest rates shall not exceed any constitutional limit; and shall mature serially or otherwise in not more than 10 years. The refunding bonds shall be examined and approved by the attorney general, and when so approved shall be incontestable, and all bonds shall be registered by the comptroller of public accounts. The refunding bonds may be exchanged for bonds or notes issued pursuant to the section of the constitution or

may be sold and the proceeds used to call and redeem the outstanding bonds and notes.

SECTION 13.04. Section 435.041, Government Code, is amended to read as follows:

Sec. 435.041. **BORROWING MONEY; ISSUING AND SELLING BONDS.** (a) The board from time to time may borrow money and may request the bond review board established under Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes), on behalf of the board, to issue and sell fully negotiable bonds to acquire one or more building sites or buildings or to construct, remodel, repair, or equip one or more buildings.

(b) The bond review board [board] may sell the bonds in any manner it determines to be in the best interest of the board, except that it may not sell a bond that has not been approved by the attorney general and registered with the comptroller. The bond review board is subject to all rights, duties, and conditions set forth in this subchapter with respect to the issuance of bonds by the board, including the issuance of refunding bonds under Section 435.048.

SECTION 13.05. Section 435.048(a), Government Code, is amended to read as follows:

(a) The board may request the bond review board to issue refunding bonds to refund any outstanding bonds that the board, or the bond review board on behalf of the board, has lawfully issued, and interest on the bonds. The bond review board [board] may issue the refunding bonds in exchange or substitution for outstanding bonds or may sell the refunding bonds and use the proceeds to pay or redeem outstanding bonds.

SECTION 13.06. Section 465.022, Government Code, as amended by Section 7, S.B. 543, Acts of the 72nd Legislature, Regular Session, 1991, is amended to read as follows:

Sec. 465.022. **BONDS AUTHORIZED.** (a) The commission may issue, sell, and deliver general obligation bonds of the state or [and may] issue, sell, and deliver or cause any financing corporation to issue, sell, and deliver revenue bonds. The proceeds of the bonds may be used to carry out eligible undertakings, to make loans to fund or otherwise fund eligible undertakings carried out by others, to pay the cost of interest on any bonds for the period specified in the resolution authorizing the bonds, to fund required reserves relating to any bonds, and to pay the costs of issuance of any bonds and the administration of the proceeds. The principal amount of general obligation bonds authorized by this section may not exceed \$500 million and the principal amount of revenue bonds authorized by this section, which are payable from money appropriated to the commission by the legislature for that purpose or which are payable from or secured by rents, installment payments, or other payments or revenues appropriated from time to time by the legislature for the payment of lease, contract, or other obligations of the commission, may not exceed \$500 million.

(b) The bond review board established under Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes), shall exercise the authority of the commission to issue bonds under this subchapter, including the issuance of refunding bonds. The bond review board is considered the issuer of the bonds and is subject to all rights, duties, and conditions set forth in this subchapter with respect to the issuance of bonds by the commission.

SECTION 13.07. Section 4, Chapter 5, Acts of the 68th Legislature, 2nd Called Session, 1984 (Article 601d, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4. The authority is governed by a board of directors composed of the members of the bond review board [three members appointed by the governor with the advice and consent of the senate]. The governor is chairman of the board of

directors and all rules governing quorum of the board of directors and meetings of the board of directors are the same as those governing similar matters for the bond review board.

SECTION 13.08. Section 21.001, Parks and Wildlife Code, is amended to read as follows:

Sec. 21.001. ISSUANCE OF PARK DEVELOPMENT BONDS. The department, by resolution of the commission, from time to time may provide for the issuance of negotiable bonds in an aggregate amount not to exceed \$75 million pursuant to the provisions of Article III, Section 49-e, of the Texas Constitution. All bonds provided for under this section shall be issued by the bond review board, acting on behalf of the department. In connection with the issuance of such bonds, the bond review board is considered the issuer of the bonds and is subject to all rights, duties, and conditions set forth in this chapter with respect to the issuance of bonds by the department.

SECTION 13.09. Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes), is amended by adding Section 3A to read as follows:

Sec. 3A. BOARD TO ACT AS ISSUER. (a) With respect to all bonds authorized to be issued by the Texas National Guard Armory Board, Texas National Research Laboratory Commission, Parks and Wildlife Department, and all institutions of higher education authorized to issue bonds under Chapter 55, Education Code, the board has the exclusive authority to act on behalf of those entities in issuing bonds on their behalf. In connection with those issuances, and with the issuance of refunding bonds on behalf of those entities, the board is considered the issuer of the bonds and is subject to all rights, duties, and conditions surrounding issuance applicable to the issuing entity under the statute authorizing the issuance. All references in an authorizing statute to the entity on whose behalf the bonds are being issued applies equally to the board in its capacity as issuer on behalf of the entity.

(b) In acting as issuer of bonds under Subsection (a) of this section, the board may refuse to issue bonds or make any changes it considers appropriate with respect to the amount of the bonds or the manner of issuance.

(c) The board shall provide all necessary services to the Board of Regents of the Texas A&M University System or the Board of Regents of The University of Texas System in issuing bonds under Article VII, Section 18, of the Texas Constitution. The board's duties under this subsection are ministerial only, and the bonds must be issued in the manner and amount provided by the appropriate board of regents under Article VII, Section 18.

SECTION 13.091. Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes), is amended by adding Section 8 to read as follows:

Sec. 8. LIMITATION ON DEBT PAYABLE FROM GENERAL REVENUE FUND. (a) The legislature may not authorize additional state debt if the resulting annual debt service exceeds the limitation imposed by this section. The maximum annual debt service in any fiscal year on state debt payable from the general revenue fund may not exceed five percent of an amount equal to the average of the amount of general revenue fund revenues, excluding revenues constitutionally dedicated for purposes other than payment of state debt, for the three immediately preceding fiscal years.

(b) For purposes of this section, "state debt" means general obligation and revenue bonds, including authorized but unissued bonds, and lease-purchase agreements in an amount greater than \$250,000.

SECTION 13.10. Sections 5, 6, and 7, Chapter 5, Acts of the 68th Legislature, 2nd Called Session, 1984 (Article 601d, Vernon's Texas Civil Statutes), are repealed.



SECTION 13.11. This article takes effect September 1, 1991, but only if any portion of this Act may take effect in accordance with law before the 90th day after the adjournment of the session of the legislature in which this Act is enacted; otherwise, this article takes effect on the first day of the first month that begins at least 90 days after the adjournment of that session of the legislature.

#### ARTICLE 14

SECTION 14.01. Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes), is amended by adding Sections 7A and 7B to read as follows:

Sec. 7A. DEBT STATISTICS. (a) Not later than October 31 of each even-numbered year, the board shall submit a report to the legislature that contains statistical information concerning state bonds and the bonds and other debt obligations issued by local governments.

(b) As to state bonds and the bonds and other debt obligations of local governments, the report shall include:

- (1) total debt service as a percentage of total expenditures;
- (2) tax-supported debt service as a percentage of general revenue expenditures;
- (3) per capita total debt and per capita tax-supported debt;
- (4) total debt and tax-supported debt as a percentage of personal income;
- (5) total personal income per capita;
- (6) total debt per capita as a percentage of total personal income per capita;
- (7) total debt and tax-supported debt as a percentage of real property valuations;
- (8) total debt and tax-supported debt as a percentage of annual revenues and expenditures;
- (9) principal required to be repaid in five years and principal required to be repaid in 10 years;
- (10) growth rates of total debt per capita and total debt per dollar of personal income;
- (11) recent trends in the issuance of short-term notes;
- (12) recent trends in costs of issuance;
- (13) savings from any recent refundings; and
- (14) other information considered relevant by the board.

(c) State agencies and local governments shall in a timely manner provide the board with all information reasonably believed by the board to be necessary to prepare the board's report to the legislature.

Sec. 7B. REVIEW OF CAPITAL IMPROVEMENT PLANS. Not later than December 31 of each even-numbered year, the board shall review and make recommendations to the legislature on the six-year strategic capital improvement plan submitted to the board under Article 6252-32, Revised Statutes. The board shall make recommendations on the structure and timing of the debt financing of each capital improvement included in the plan.

SECTION 14.02. Title 110A, Revised Statutes, is amended by adding Article 6252-32 to read as follows:

#### Art. 6252-32. CAPITAL IMPROVEMENT PLANS

Sec. 1. DEFINITIONS. In this article:

- (1) "Appropriated funds" means funds appropriated by the General Appropriations Act.
- (2) "Board" means the Legislative Budget Board.
- (3) "Capital improvement" means any building or infrastructure project that will be owned by the state and built with direct appropriations or with

the proceeds of state-issued bonds designed to be repaid with the general revenues of the state. The term does not include a building or project financed with bonds that, although backed by the full faith and credit of the state, are reasonably expected to be paid from other revenue sources and that are not expected to create a general revenue draw.

(4) "State agency" means a governmental entity that expends appropriated funds.

Sec. 2. ADOPTION AND SUBMISSION OF PLAN. (a) Not later than October 31 of each even-numbered year, the governor and the board shall jointly adopt a six-year strategic capital improvement plan.

(b) The governor shall submit the plan to:

(1) the bond review board for review under Section 7B, Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes); and

(2) the legislature.

Sec. 3. CONTENTS OF PLAN. (a) Each six-year strategic capital improvement plan must include:

(1) a description of the capital improvement needs of state agencies during the six-year period;

(2) a prioritization, if appropriate, of the capital improvement needs of state agencies during the six-year period;

(3) an estimate as to how the capital improvement needs may be financed during the six-year period;

(4) recommended debt limits for the six-year period; and

(5) estimates of operating budget impacts of capital improvements.

(b) The board shall develop and periodically revise the criteria to be used to determine whether a proposed capital improvement project, or acquisition or expenditure for capital improvements, may be included in a six-year strategic capital improvement plan. The board shall obtain the advice and recommendations of the bond review board before developing or revising the criteria.

Sec. 4. COOPERATION BY STATE AGENCIES. (a) The governor and the board shall solicit the advice and recommendations of each state agency before adopting a six-year strategic capital improvement plan. In formulating a six-year strategic capital improvement plan, the governor and the board shall take into account each agency's strategic plan for operations, as developed under Article 6252-31, Revised Statutes.

(b) The governor and the board may require a state agency to:

(1) submit information, reports, plans, and documentation;

(2) answer inquiries; and

(3) cooperate in the preparation of any plan.

Sec. 5. ADVISORY COMMITTEE. (a) The governor and the board may establish an advisory committee composed of officers and employees of the Department of Information Resources, the State Purchasing and General Services Commission, the bond review board, and other state agencies. The committee shall advise the governor and the board as to the development and content of a six-year strategic capital improvement plan.

(b) The advisory committee members' service on the committee is an additional duty of their respective offices or employments.

SECTION 14.03. Chapter 316, Government Code, is amended by adding Subchapter F to read as follows:

#### SUBCHAPTER F. ACQUISITIONS OF CAPITAL IMPROVEMENTS

Sec. 316.051. DEFINITIONS. In this subchapter:

(1) "Appropriated funds" means money appropriated by a General Appropriations Act.

(2) "Board" means the bond review board established by Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes).

(3) "Capital improvement" has the meaning assigned by Section 1, Article 6252-32, Revised Statutes.

(4) "Equipment" has the meaning assigned by Section 1A(7), Chapter 5, Acts of the 68th Legislature, 2nd Called Session, 1984 (Article 601d, Vernon's Texas Civil Statutes).

(5) "Obligations" has the meaning assigned by Section 1A(8), Chapter 5, Acts of the 68th Legislature, 2nd Called Session, 1984 (Article 601d, Vernon's Texas Civil Statutes).

(6) "Six-year strategic capital improvement plan" means the plan referred to by that term adopted under Article 6252-32, Revised Statutes.

Sec. 316.052. CAPITAL BUDGET. (a) A capital budget for a biennium consists of a summary of capital improvement purchases based on the six-year strategic capital improvement plan to be funded under a proposed General Appropriations Act. The proposed General Appropriations Act shall be attached to the capital budget, and the capital budget must include a statement on operating budget impact and debt service payments to be made during the biennium on previously issued debt for capital improvements.

(b) The legislature may adopt requirements and procedures as to:

(1) revising a capital budget if the appropriations act to which it is attached is amended; and

(2) ensuring compliance with this section.

Sec. 316.053. REVIEW OF CAPITAL BUDGET. (a) A capital budget shall be delivered to the board for review and recommendations.

(b) For each capital improvement acquisition included in a capital budget, the board shall:

(1) recommend whether the capital improvement should be purchased with current appropriations or through the incurrence of debt;

(2) recommend the method for and timing of the incurrence of any recommended debt; and

(3) report on the impact any recommended incurrence of debt would have on the state.

(c) The board may adopt rules and procedures to administer this section.

Sec. 316.054. PROHIBITIONS. (a) Except as provided by Subsection (c), a state agency may not use appropriated funds to acquire a capital improvement unless:

(1) a General Appropriations Act appropriates funds for the acquisition;

(2) the acquisition complies with the capital improvement expenditure plan for the biennium; and

(3) the acquisition complies with the debt issuance plan for the biennium, if it is to be acquired through the incurrence of debt.

(b) Except as provided by Subsection (c), the legislature may not appropriate money to acquire a capital improvement that is not included in the current six-year strategic capital improvement plan.

(c) The legislature may appropriate money and the state agency receiving the appropriation may use the appropriated funds to acquire a capital improvement that is not included in the current six-year strategic capital improvement plan if a natural disaster, emergency, or other change in circumstances makes the acquisition necessary.

Sec. 316.055. CAPITAL BUDGET EXPENDITURE PLANS. (a) A capital budget expenditure plan for a biennium consists of the instructions in a General

Appropriations Act as to whether capital improvements funded in the Act shall be purchased with current appropriations or through the incurrence of debt.

(b) In adopting a capital budget expenditure plan, the legislature shall consider:

(1) recommendations of the board; and

(2) the debt statistics submitted by the board under Sections 7A and 7B, Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes).

Sec. 316.056. DEBT ISSUANCE PLANS. (a) A debt issuance plan for a biennium consists of the instructions in a General Appropriations Act as to the method for and timing of incurring debt to acquire capital improvements in the capital budget.

(b) In adopting a debt issuance plan, the legislature shall consider:

(1) recommendations made by the board under Section 316.053(b);

and

(2) debt statistics submitted by the board under Sections 7A and 7B, Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes).

(c) A debt issuance plan may direct the board to issue obligations to finance:

(1) the acquisition of a capital improvement if the improvement is equipment; and

(2) multiple acquisitions of capital improvements if the improvements are equipment.

(d) The board shall comply with a directive under Subsection (c) notwithstanding any discretionary authority the board may have under other law.

SECTION 14.04. Section 321.0134, Government Code, is amended by adding Subsection (c) to read as follows:

(c) An effectiveness audit shall include an audit of the department's acquisitions of capital improvements to determine if expected results of the acquisitions have been or will be achieved.

#### ARTICLE 15

SECTION 15.01. Title 110A, Revised Statutes, is amended by adding Article 6252-5f to read as follows:

##### Art. 6252-5f. INDIRECT COST RECOVERY PROGRAM

Sec. 1. DEFINITIONS. In this article:

(1) "Indirect cost" means the cost of administering a state or federally funded program, other than the actual cost of the program, and includes the costs of providing statewide support services.

(2) "Federally reimbursable indirect costs" means costs, as defined by Federal Management Circular A-87 or subsequent revisions of or successors to that circular, that are incurred by state agencies in support of federally funded programs and that are eligible for reimbursement from the federal government.

(3) "State agency" means any department, board, commission, or other entity that is in the executive branch of state government, has statewide jurisdiction, and administers one or more programs to provide services to the public or regulation of persons engaged in an occupation or activity.

Sec. 2. STATEWIDE COST ALLOCATION PLAN. (a) The office of the governor shall annually prepare a statewide cost allocation plan to identify the costs of providing statewide support services to each state agency, including costs for auditing, accounting, budgeting, centralized purchasing, and legal services. The plan shall also allocate to each state agency an appropriate portion of the total costs of statewide support services and identify, to the extent possible, how much of the portion is reimbursable by the federal government.

(b) The office of the governor shall distribute a copy of the plan to each state agency.

Sec. 3. AGENCY RECOVERY OF INDIRECT COSTS. (a) Each state agency that receives federal funds or charges any fee for any of its services shall prepare an annual indirect cost recovery plan. The plan must include proposals to recover the indirect costs of the agency's programs, including the portion of statewide support services allocated under the statewide cost allocation plan. A state agency that receives federal funds shall also prepare a separate schedule indicating the federally reimbursable indirect costs.

(b) A state agency shall implement its indirect cost recovery plan by applying for federally reimbursable indirect costs and, when permitted by law, by setting fees and billing rates at sufficient amounts to recover the indirect costs of that agency.

(c) The office of the governor shall provide technical assistance to state agencies, on request, in their development of indirect cost recovery plans.

Sec. 4. REIMBURSEMENT OF GENERAL REVENUE FUND. A state agency that receives federally reimbursable indirect costs shall send that amount to the state treasurer for deposit to the credit of the general revenue fund. In addition to revenue from other sources, the legislature may appropriate the estimated amount to be received by a state agency as federally reimbursable indirect costs during any fiscal biennium to the agency for any purpose. If the amount recovered by the agency during the fiscal biennium exceeds the estimated amount, the excess amount may be included in the appropriation for that agency.

SECTION 15.02. Each state agency shall adopt and implement an initial indirect cost recovery plan under Article 6252-5f, Revised Statutes, as added by this Act, not later than January 1, 1992.

#### ARTICLE 16

SECTION 16.01. Section 317.002, Government Code, is amended to read as follows:

Sec. 317.002. TYPES OF [GOVERNOR'S] PROPOSALS TO AFFECT APPROPRIATIONS. (a) The governor or Legislative Budget Board may propose that a state agency be prohibited from spending, obligating the expenditure of, or distributing part or all of an appropriation made to the agency unless the amount is reappropriated by the legislature or is released, or expenditures are approved, as provided in the proposal.

(b) After finding that an emergency exists, the governor or Legislative Budget Board may propose that the authority to spend, obligate the expenditure of, or distribute part or all of an appropriation made to a state agency:

(1) be transferred to another state agency to be used for a specified purpose; or

(2) be retained by the agency to which the appropriation was made but used for a purpose different from or additional to the purpose for which the appropriation was made.

(c) The governor or Legislative Budget Board may propose a change in the time that an appropriation is distributed or otherwise made available to a state agency, whether the time of distribution or availability is set by appropriations act or general law.

SECTION 16.02. The heading to Section 317.003, Government Code, is amended to read as follows:

Sec. 317.003. TIME AND SCOPE OF [GOVERNOR'S] PROPOSAL.

SECTION 16.03. Section 317.003(a), Government Code, is amended to read as follows:

(a) The governor or Legislative Budget Board may make a proposal at any time except during a regular or special session of the legislature. A proposal may apply to an appropriation that has been made for any specified fiscal year that has not ended at the time the proposal is made.

SECTION 16.04. Sections 317.004, 317.005, 317.006, and 317.007, Government Code, are amended to read as follows:

Sec. 317.004. PUBLICATION OF PROPOSAL. The entity making a proposal [governor] shall specify the details of the [a] proposal, including, for a proposal made under Section 317.002(b), a statement describing the emergency. The entity making a proposal [governor] shall direct the secretary of state to publish each proposal, including any accompanying statements, in the Texas Register.

Sec. 317.005. [~~LEGISLATIVE BUDGET BOARD~~] ACTION ON PROPOSAL. (a) After a governor's proposal under this chapter is published in the Texas Register, the Legislative Budget Board may conduct a public hearing on the proposal. The board shall give notice of a hearing under this section in the manner provided by law for notice of regular meetings of the board. The board also shall provide notice by mail of its meetings to each member of the legislature. The notice of the meeting must include a description of the nature of the proposal or order to be considered. If the agenda includes a public hearing on a proposal, the notice must so state.

[(b)] After a hearing and at a meeting held not less than 10 days after the date notice of the meeting was given in the manner provided for regular board meetings, in response to a governor's proposal the board, subject to the restrictions provided by Subsection (e), may:

- (1) ratify the proposal by adopting an order changing the relevant appropriation in the manner specified in the proposal;
- (2) reject the proposal; or
- (3) recommend changes in the proposal.

(b) In response to a proposal by the board under Section 317.002(a), the governor may recommend changes in the proposal. In response to a proposal by the board under Section 317.002(b), the governor may:

- (1) ratify the proposal by adopting an order changing the relevant appropriation in the manner specified in the proposal;
- (2) reject the proposal; or
- (3) recommend changes in the proposal.

(c) A recommended change in a proposal may include recommendations for a change in:

- (1) the proposed amount of money withheld or transferred;
- (2) the proposed purpose for which the appropriation may be used;
- (3) the proposed period for which an appropriation may not be expended, obligated, or distributed;
- (4) the source or recipient of a proposed transfer; or
- (5) a proposed time of distribution or availability of the appropriation that is the subject of the proposal.

(d) If the governor or the board recommends a change in a [governor's] proposal by the other entity, the recommending entity [board] may adopt a contingent order changing the relevant appropriation in the manner specified in the [board] recommendations.

(e) Neither the governor nor the [The] board may [not] adopt an order under this section:

- (1) expressly postponing the time, whether set by appropriations act or general law, that an appropriation is distributed or otherwise made available to a state agency, for a period that exceeds 180 days;
- (2) reducing or eliminating an appropriation for the salary of an elected state official or a member of a board or commission appointed by the governor;
- (3) reducing or eliminating an appropriation to a state agency that receives appropriations under Article VI of the General Appropriations Act; or

(4) if, after the order takes effect, the total appropriation for any affected state agency for the fiscal year in which the order would be effective would be decreased by more than 10 percent, or increased by more than five percent, from the amount set by the legislature for that agency for that fiscal year.

(f) The limitations provided by Subsection (e)(4) do not apply to an appropriation for a state agency during a biennium in which the agency is being abolished, merged with or incorporated into another state agency, or reorganized as required by statute.

(g) Subject to the limitation provided by Subsection (e)(4), the governor or board may adopt an order under this section withholding or transferring any portion of the total amount appropriated to finance the foundation school program for a fiscal year. The governor or board may not adopt such an order if it would result in an allocation of money between particular programs or statutory allotments under the foundation school program contrary to the statutory proration formula provided by Section 16.254(d), Education Code. The governor or board may transfer an amount to the total amount appropriated to finance the foundation school program for a fiscal year and may increase the basic allotment. The governor or board may adjust allocations of amounts between particular programs or statutory allotments under the foundation school program only for the purpose of conforming the allocations to actual pupil enrollments or attendance.

(h) A board proposal made under Section 317.002(a) may be adopted by an order of the board at any time after publication of the proposal. The governor is not required to ratify a board order adopted under this subsection.

(i) ~~(g)~~ The affirmative vote of a majority of the members of the board from each house is necessary for the adoption of an order by the board under this section.

(j) ~~(h)~~ If either the governor or the board adopts an order under this section, the entity adopting the order [board] shall notify the proposing entity [governor], the comptroller, the state treasurer, and the affected state agencies. Unless the order is a contingent order, the entity adopting the order [board] shall file a copy of the order with the secretary of state for publication in the Texas Register.

Sec. 317.006. ~~[GOVERNOR'S]~~ ACTION ON CONTINGENT ORDER. (a) The governor or board shall approve or reject each contingent order adopted under Section 317.005(d) by the other entity. The governor or board shall notify the other entity [board], the comptroller, the state treasurer, and the affected state agencies of the approval or rejection and shall direct the secretary of state to publish notice of the action in the Texas Register.

(b) If the board rejects a contingent order of the governor pursuant to a board proposal made under Section 317.002(a), the board may adopt its original order under Section 317.005(h), notwithstanding the governor's contingent order.

Sec. 317.007. EXPIRATION OF PROPOSAL OR CONTINGENT ORDER. A [governor's] proposal made by the governor or board under this chapter expires if the other entity [board] does not adopt an order ratifying or changing the proposal before the 31st day after the date the proposal is published in the Texas Register. A contingent order adopted by the governor or board under this chapter expires if the other entity [governor] does not approve the order before the 31st day after the date the proposal on which the order is based is published in the Texas Register. A [governor's] proposal or contingent order of either entity also expires if a regular or special session of the legislature begins before, respectively, the other entity [board] has ratified the proposal or [the governor] has approved the contingent order.

SECTION 16.05. Section 317.008(a), Government Code, is amended to read as follows:

(a) An order adopted by the governor or the Legislative Budget Board under this chapter, other than a contingent order adopted under Section 317.005(d), takes

effect on the date of adoption, unless the order specifies a later date. A contingent order adopted under Section 317.005(d) and approved ~~[by the governor]~~ under this chapter takes effect on the date of approval, unless the order specifies a later date.

#### ARTICLE 17

SECTION 17.01. Subsection (b), Section 3.007, Texas Incentive and Productivity Act (Article 6252-29a, Vernon's Texas Civil Statutes), as amended by Chapter 150, Acts of the 72nd Legislature, Regular Session, 1991, is amended to read as follows:

(b) From the funds in the state agency's or division's productivity bonus account, the commission shall award to the eligible employees of the agency or division an amount not to exceed 25 percent of the amount in that account. The awarded amount shall be distributed in equal shares to the eligible current employees of the agency or division. A bonus made to any individual employee may not exceed \$1,000 ~~[\$5,000]~~. An eligible employee who worked in the agency or division for less than the full fiscal year or on a part-time basis is entitled to a pro rata share based on the fraction of the fiscal year and the average fraction of the work week that the employee worked in the agency or division. An eligible employee under this section is an employee who:

- (1) is an hourly, part-time, or temporary employee;
- (2) is a classified employee under the Position Classification Act of 1961 (Article 6252-11, Vernon's Texas Civil Statutes); or
- (3) performs functions that are equivalent to functions performed by a classified employee in other state agencies.

#### ARTICLE 18

SECTION 18.01. (a) Notwithstanding Section 4(a), Chapter 16, Acts of the 71st Legislature, Regular Session, 1989, the comptroller of public accounts shall make the monthly payments from the general revenue fund to the state contribution account of the trust fund for the Teacher Retirement System of Texas for the months of June, July, and August of 1991 not later than August 31, 1991.

(b) If no portion of this Act may take effect in accordance with law before September 1, 1991, this section has no effect.

SECTION 18.02. (a) Notwithstanding Section 403.093(c), Government Code, the comptroller may not make monthly payments from the general revenue fund to the state contribution account of the trust fund for the Teacher Retirement System of Texas during June, July, or August of 1993. Not later than September 3, 1993, the comptroller shall make the payments for those months deferred by this section.

(b) Each month in which any portion of a payment deferred by this section remains unpaid, the comptroller shall transfer to the state contribution account of the trust fund for the Teacher Retirement System of Texas from the general revenue fund an amount certified by the Teacher Retirement System of Texas that is equal to the greater of eight percent of or the rate of yield that would have been earned on the unpaid deferred amount if monthly contributions to the Teacher Retirement System of Texas had been made as provided by Section 403.093(c), Government Code, for that month and for each previous month of the fiscal year in which the payments have been deferred as provided by this section, and had been invested.

SECTION 18.03. (a) This section prevails over anything to the contrary in this Act, the General Appropriations Act, or other law.

(b) The rate of state contributions to the Teacher Retirement System of Texas for the fiscal biennium ending August 31, 1993, is 6.5 percent of the aggregate state compensation of all contributing members of the system for each fiscal year of that biennium.



## ARTICLE 19

SECTION 19.01. Section 152.121, Tax Code, is amended to read as follows:

Sec. 152.121. ~~[AMOUNT OF]~~ TAX SENT TO COMPTROLLER~~;~~  
~~FREQUENCY OF REMITTANCE~~. (a) The county tax assessor-collector shall send ~~[95 percent of]~~ the money collected from taxes and penalties imposed by this chapter to the comptroller~~;~~ ~~and shall retain five percent of the taxes and penalties collected under this chapter as fees of office or to be paid into the officers' salary fund of the county as provided by general law.~~

~~[(b) The state portion of the taxes collected under this chapter by a county tax assessor-collector shall be sent to the comptroller]~~ as follows:

(1) on the 10th day of each month if during the last preceding state fiscal year less than \$2 million of the taxes and penalties imposed by this chapter was collected by the office of the county tax assessor-collector;

(2) once each week if during the last preceding state fiscal year \$2 million or more, but less than \$10 million, of the taxes and penalties imposed by this chapter was collected by the office of the county tax assessor-collector; or

(3) daily (as collected) if during the last preceding state fiscal year \$10 million or more of the taxes and penalties imposed by this chapter was collected by the office of the county tax assessor-collector.

~~[(b) [(c)]~~ Taxes on metal dealer plates collected by the State Department of Highways and Public Transportation shall be deposited by the department in the state treasury in the same manner as are other taxes collected under this chapter.

~~[(c) If the amount of net collections under Chapter 88, General Laws, Acts of the 41st Legislature, 2nd Called Session, 1929 (Article 6675a-1 et seq., Vernon's Texas Civil Statutes), is insufficient to cover the amount of those net collections authorized to be retained by a county as a percentage of the tax and penalties collected under this chapter, the comptroller shall on request of the county tax assessor-collector authorize the county to retain a portion of the tax and penalties collected under this chapter to cover the deficiency.~~

SECTION 19.02. Section 10(a), Chapter 88, General Laws, Acts of the 41st Legislature, 2nd Called Session, 1929 (Article 6675a-10, Vernon's Texas Civil Statutes), as amended by H.B. 1376, Acts of the 72nd Legislature, Regular Session, 1991, is amended to read as follows:

(a) Except as provided by Subsections (c-1), (c-2), (c-3), and (c-4) of this section, on Monday of each week each County Tax Collector shall deposit in the County Depository of his County to the credit of the County Road and Bridge Fund an amount equal to one hundred per cent (100%) of net collections made hereunder during the preceding week until the amount so deposited for the current calendar year shall have reached a total sum of Sixty Thousand Dollars (\$60,000), plus Three Hundred and Fifty Dollars (\$350) for each mile of county road, not to exceed five hundred (500) miles, maintained by the County according to the latest data available from the State Department of Highways and Public Transportation, plus an amount equal to five per cent (5%) of the tax and penalties collected under Chapter 152, Tax Code, in the preceding calendar year.

SECTION 19.03. (a) Section 19.01 of this article takes effect September 1, 1991, but only if any portion of this Act may take effect in accordance with law before the 90th day after the adjournment of the session of the legislature in which this Act is enacted; otherwise, Section 19.01 of this article takes effect on the first day of the first month that begins at least 90 days after the adjournment of that session of the legislature.

(b) Section 19.02 of this article takes effect January 1, 1992.

## ARTICLE 20

SECTION 20.01. Section 153.502(a), Tax Code, is amended to read as follows:

(a) On or before the fifth workday after the end of each month, ~~[of the first 11 months of the fiscal year and on or before August 31 of each year]~~ the comptroller, after making the deductions for refund purposes, shall determine as accurately as possible, for the period since the latest determination under this subsection, the number of gallons of fuel used in motorboats on which the gasoline tax has been paid to this state, and on which refund of the tax has not been made and against which limitation has run for filing claim for refund of the tax. From the number of gallons so determined the comptroller shall compute the amount of taxes that would have been refunded under the law had refund claims been filed in accordance with the law.

SECTION 20.02. Section 153.503, Tax Code, is amended to read as follows:

Sec. 153.503. ALLOCATION OF GASOLINE TAX. On or before the fifth workday after the end of each month, ~~[of the first 11 months of the fiscal year and on August 31 of each year]~~ the comptroller, after making all deductions for refund purposes and for the funds derived from unclaimed refunds, shall allocate the net remainder of the taxes collected under Subchapter B of this chapter as follows:

(1) one-fourth of the tax shall be deposited to the credit of the available school fund;

(2) one-half of the tax shall be deposited to the credit of the state highway fund for the construction and maintenance of the state road system under existing law; and

(3) from the remaining one-fourth of the tax the comptroller shall:

(A) deposit to the credit of the county and road district highway fund all the remaining tax receipts until a total of \$7,300,000 has been credited to the fund each fiscal year; and

(B) after the amount required to be deposited to the county and road district highway funds has been deposited, deposit to the credit of the state highway fund the remainder of the one-fourth of the tax, the amount to be provided on the basis of allocations made each month of the fiscal year, which sum shall be used by the State Department of Highways and Public Transportation for the construction, improvement, and maintenance of farm-to-market roads.

SECTION 20.03. Section 153.504, Tax Code, is amended to read as follows:

Sec. 153.504. ALLOCATION OF DIESEL FUEL TAX. On or before the fifth workday after the end of each month, ~~[of the first 11 months of the fiscal year and on August 31]~~ the comptroller, after making deductions for refund purposes, and for the administration and enforcement of this chapter, shall allocate the remainder of the taxes collected under Subchapter D of this chapter as follows:

(1) one-fourth of the taxes shall be deposited to the credit of the available school fund; and

(2) three-fourths of the taxes shall be deposited to the credit of the state highway fund.

SECTION 20.04. Section 153.505, Tax Code, is amended to read as follows:

Sec. 153.505. ALLOCATION OF LIQUEFIED GAS TAX. On or before the fifth workday after the end of each month, ~~[of the first 11 months of the fiscal year and on August 31]~~ the comptroller, after making deductions for refund purposes and for the administration and enforcement of this chapter, shall allocate the remainder of the taxes collected under Subchapter B of this chapter as follows:

(1) one-fourth of the taxes shall be deposited to the credit of the available school fund; and

(2) three-fourths of the taxes shall be deposited to the credit of the state highway fund.

SECTION 20.05. Section 4.001(a), County Road and Bridge Act (Article 6702-1, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) The State Treasurer shall distribute to the eligible counties on or before October 15 of each year the money appropriated from the county and road district highway fund for that fiscal year. A county is eligible to receive a distribution under this section only if the county imposes the optional extra fee authorized by Section 9a, Chapter 88, General Laws, Acts of the 41st Legislature, 2nd Called Session, 1929 (Article 6675a-9a, Vernon's Texas Civil Statutes), in an amount of not less than \$5 for each vehicle.

SECTION 20.06. This article takes effect January 1, 1992.

#### ARTICLE 21

SECTION 21.01. The Uniform Statewide Accounting Project Act is enacted to read as follows:

Sec. 1. SHORT TITLE. This Act may be cited as the Uniform Statewide Accounting Project Act.

Sec. 2. DEFINITIONS. In this Act:

- (1) "Committee" means the Project Advisory Committee.
- (2) "Comptroller" means the comptroller of public accounts.
- (3) "Project" means the Uniform Statewide Accounting Project.
- (4) "Project director" means the director of the Uniform Statewide Accounting Project.

(5) "State agency" has the meaning assigned by Section 403.013, Government Code.

(6) "Uniform statewide accounting system" has the meaning assigned by Section 1, Article 4348e, Revised Statutes.

Sec. 3. PROJECT. The Uniform Statewide Accounting Project is established as an agency within the executive branch of state government.

Sec. 4. PROJECT ADVISORY COMMITTEE. (a) The project advisory committee consists of:

- (1) the executive director of the Department of Information Resources, who shall be chairman;
- (2) the governor;
- (3) the lieutenant governor;
- (4) the speaker of the house of representatives;
- (5) the comptroller of public accounts;
- (6) the state treasurer;
- (7) the state auditor; and
- (8) a representative of the Texas Higher Education Coordinating Board.

(b) The committee shall meet at times to be determined by its members. A member of the committee may designate another person to serve in the member's place. However, the designee of the lieutenant governor must be a member of the senate, and the designee of the speaker of the house of representatives must be a member of the house of representatives.

(c) The members of the committee are entitled to reimbursement of their expenses as provided by law.

(d) The committee may review and make recommendations to the project director concerning any matter relating to the development and initial testing of a uniform statewide accounting system.

Sec. 5. PROJECT DIRECTOR. The governor shall appoint a project director to administer the project. An appointee must be qualified by training and experience to perform the duties of the project director. The project director serves at the pleasure of the governor.

Sec. 6. DUTIES OF PROJECT DIRECTOR; CONTRACTS. (a) The project director shall:

- (1) administer the project as provided by this Act;
- (2) employ and remove staff;
- (3) administer all funds entrusted to the project;
- (4) obtain necessary office space, equipment, and supplies for the project;
- (5) contract for goods and services necessary to carry out the provisions of this Act;
- (6) regularly consult with and report to the committee throughout the development and initial testing of the uniform statewide accounting system;
- (7) adopt and enforce rules necessary to carry out the provisions of this Act; and
- (8) exercise any other power necessary to carry out the provisions of this Act.

(b) Contracts entered into by the project director are not subject to:

- (1) the State Purchasing and General Services Act (Article 601b, Vernon's Texas Civil Statutes);
- (2) the Professional Services Procurement Act (Article 664-4, Vernon's Texas Civil Statutes); or
- (3) Chapter 454, Acts of the 65th Legislature, Regular Session, 1977 (Article 6252-11c, Vernon's Texas Civil Statutes).

(c) The project director must submit all proposed contracts for professional or consulting services and all proposed purchases of computer equipment or software to the committee for review and recommendation before procurement.

Sec. 7. COOPERATION WITH COMPTROLLER AND AGENCIES. The project shall be operated in full cooperation with the comptroller to ensure the state's ongoing accounting responsibilities are fulfilled during the development and initial testing of the uniform statewide accounting system.

Sec. 8. SUPPORT SERVICES. (a) The comptroller shall provide support services for the project, including accounting, purchasing, and personnel services. The cost of the services shall be paid from funds appropriated to the comptroller.

(b) The state auditor shall provide legal support services and contract management for the project. The cost of the services shall be paid from funds appropriated to the state auditor.

Sec. 9. TRANSFER OF COMPTROLLER'S POWERS AND DUTIES; EXPIRATION. (a) On the effective date of this Act, all powers and duties of the comptroller under Article 4348e, Revised Statutes, and administrative responsibility associated with the development and initial testing of the uniform statewide accounting system is transferred to the project. The comptroller shall coordinate with the project so as to ensure a smooth transition of those responsibilities.

(b) This Act expires on the 30th day after the date that the committee certifies to the comptroller that the uniform statewide accounting system is operational. On the expiration of this Act, the project is abolished and all records, personnel, property, and unspent appropriations of the project are transferred to the comptroller.

SECTION 21.02. Section 8.01(b), State Purchasing and General Services Act (Article 601b, Vernon's Texas Civil Statutes), as amended by Section 19, S.B. 1004, Acts of the 72nd Legislature, Regular Session, 1991, is amended to read as follows:

(b) The commission shall administer the property accounting system and maintain a complete and accurate set of centralized records of state property based on information supplied by state agencies or the uniform statewide accounting system. The property accounting system shall, to the extent possible, constitute the fixed asset component of the uniform statewide accounting system. The commission shall coordinate with the Uniform Statewide Accounting Project and

with the comptroller in issuing rules, instructions, and necessary requirements for the property accounting system, subject to review and comment by the state auditor. The rules, instructions, and requirements must be consistent with the requirements of the uniform statewide accounting system.

SECTION 21.03. This article takes effect September 1, 1991, but only if any portion of this Act may take effect in accordance with law before the 90th day after the adjournment of the session of the legislature in which this Act is enacted; otherwise, this article takes effect on the first day of the first month that begins at least 90 days after the adjournment of that session of the legislature.

#### ARTICLE 22

SECTION 22.01. The provisions of this Act take effect as provided by each article. If a provision of this Act does not have a specified effective date, or if the specified effective date is not effective, the provision takes effect on the earliest date permitted for a provision of this Act to take effect under Article III, Section 39, of the Texas Constitution.

SECTION 22.02. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force according to its terms, and it is so enacted.

#### Amendment No. 1 - Rudd

Amend C.S.S.B. 3 by striking lines 13-24 on page 1 and lines 1-2 on page 2 and substitute the following:

(a) Each applicant for a Certificate of Title or reissuance thereof shall pay to the designated agent (County Tax Assessor-Collector) the sum of ~~Thirteen~~ ~~(\$13)~~ ~~[\$10]~~, of which the first Five Dollars (\$5) shall be accounted for by the County Tax Assessor-Collector and disposed of in the method hereinafter provided; and the remaining ~~Eight~~ ~~(\$8)~~ ~~[\$5]~~ shall be forwarded to the State Department of Highways and Public Transportation ~~[for deposit in the State Highway Fund]~~, together with the application for a Certificate of Title, within twenty-four hours after the same has been received by the County Tax Assessor-Collector. ~~[from which fees the Department shall be entitled and shall use sufficient money to pay all expenses necessary to efficiently administer and perform the duties set forth herein.]~~ Of the Eight Dollars (\$8) forwarded to the Department, Five Dollars (\$5) shall be deposited in the General Revenue Fund and Three Dollars (\$3) shall be deposited in the State Highway Fund to recover the expenses necessary to efficiently administer and perform the duties set forth herein.

#### Amendment No. 2 - Rudd

Amend Sec. 5 of Article 6 of C.S.S.B. 3 by adding the following sentence after the last sentence in Sec. 5 on line 9 of page 14:

However, no such fee may be retained from amounts collected for the Unemployment Compensation Fund established pursuant to Article 5221b-7, Revised Statutes.

#### Amendment No. 3 - Rudd

Amend C.S.S.B. 3 by striking all of Article 10 and substituting the following:

#### ARTICLE 10

SECTION 10.01. DEFINITIONS. In this article:

- (1) "Board" means the Texas Water Development Board.
- (2) "Master contract" means the master contract between Red Bluff District and member districts dated March 8, 1934.

(3) "Member district" means any one of the seven member districts of Red Bluff District, which are:

- One; (A) Loving County Water Improvement District No.
- Two; (B) Reeves County Water Improvement District No.
- Three; (C) Ward County Water Improvement District No.
- (D) Ward County Irrigation District Number One;
- Two; (E) Ward County Water Improvement District No.
- Two; and (F) Pecos County Water Improvement District No.
- Three. (G) Pecos County Water Improvement District No.

(4) "Pecos River compact account" means the special account in the water assistance fund of the board created under Section 15.702, Water Code.

(5) "Principal amount" means the amount of \$13.8 million, representing the amount received by the state by order of the United States Supreme Court in the case of Texas v. New Mexico (58 U.S.L.W. 3543) and deposited to the credit of the Pecos River compact account.

(6) "Red Bluff District" means the Red Bluff Water Power Control District, a water power control district created under Chapter 76, General Laws, Acts of the 43rd Legislature, Regular Session, 1933 (Article 7807d, Vernon's Texas Civil Statutes).

(7) "Distribution date" means the date of the distribution of funds held in the Pecos River compact account from the board to Red Bluff District under this Act.

**SECTION 10.02. DISTRIBUTION OF FUNDS BY BOARD.** (a) As soon as practicable after the effective date of this article, the board shall transfer all interest earned by the Pecos River compact account on or after March 1, 1990, and before September 1, 1991, to the state treasurer for deposit to the credit of the general revenue fund.

(b) Notwithstanding the provisions of any other law, the board, after making the transfer required by Subsection (a) of this section, shall promptly distribute all funds, including the principal amount and all accrued interest not transferred under Subsection (a), in the Pecos River compact account to Red Bluff District.

**SECTION 10.03. USE OF FUNDS.** The funds received by Red Bluff District under this article, together with any interest earned on the funds, shall be used by Red Bluff District or a member district only for agricultural or irrigation projects, including associated water quality improvement projects that affect surface water irrigators in the counties of Loving, Ward, Reeves, and Pecos. The projects may include the operation of the Red Bluff District or a member district and the maintenance of the water supply reservoirs, associated downstream diversion facilities, and internal distribution systems of the Red Bluff District or a member district.

**SECTION 10.04. DISTRIBUTION OF FUNDS BY RED BLUFF DISTRICT.** (a) Interest earned on the principal amount shall be allocated:

- (1) one-third to Red Bluff District; and
- (2) two-thirds to member districts, to be allocated among the member districts in the same percentages as each member district's pro rata share of water under the master contract.

(b) On receipt of funds from the board under this article, Red Bluff District shall promptly distribute interest earned on the principal amount as of the distribution

date and received by Red Bluff District in accordance with Subsection (a) of this section.

(c) Red Bluff District shall invest the principal amount in accordance with the Public Funds Investment Act of 1987 (Article 842a-2, Vernon's Texas Civil Statutes). Red Bluff District shall comply with the Public Funds Collateral Act (Article 2529d, Vernon's Texas Civil Statutes) to the extent applicable.

(d) Interest earned on the principal amount after the distribution date shall be distributed by Red Bluff District annually in accordance with Subsection (a) of this section.

(e) Red Bluff District may not spend any portion of the principal amount unless an affirmative vote in favor of the expenditure is received from:

- (1) the board of directors of Red Bluff District; and
- (2) the boards of directors of at least five of the member districts.

SECTION 10.05. ANNUAL ACCOUNTING. Red Bluff District shall provide an annual accounting of its administration of funds under this article and of the amount of interest earned to each member district and the board.

SECTION 10.06. REPEALER. Subchapter K, Chapter 15, Water Code, is repealed.

SECTION 10.07. CONFORMING AMENDMENT. Section 15.011(b), Water Code, is amended to read as follows:

(b) After notice and hearing and subject to any limitations established by the General Appropriations Act, the board may transfer money from the fund to the loan fund created under Subchapter C of this chapter, the storage acquisition fund created under Subchapter E of this chapter, and the research and planning fund created under Subchapter F of this chapter~~[-and the Pecos River compact account created under Subchapter K of this chapter].~~

SECTION 10.08. CONFORMING AMENDMENT. Section 15.012(c), Water Code, is amended to read as follows:

(c) Money appropriated to the fund by the legislature for a specific purpose stated in Subchapter C, E, or F~~[-or K]~~ of this chapter shall be placed in the appropriate fund ~~[or account]~~ created by that subchapter.

SECTION 10.09. EFFECTIVE DATE. (a) Except as provided by Subsection (b) of this section, this article takes effect September 1, 1991, but only if any portion of this Act may take effect in accordance with law before the 90th day after the adjournment of the session of the legislature in which this Act is enacted; otherwise, this article takes effect on the first day of the first month that begins at least 90 days after the adjournment of that session of the legislature.

(b) Section 10.06 of this article takes effect January 1, 1992.

#### Amendment No. 4 - Rudd

Amend C.S.S.B. 3 by adding a new article, appropriately numbered, to read as follows:

#### ARTICLE \_\_\_\_

SECTION \_\_.01. (a) Section 13B, Texas Employees Uniform Group Insurance Benefits Act (Article 3.50-2, Vernon's Texas Insurance Code), is amended by adding Subsection (d) to read as follows:

(d) Each employee shall be enrolled in the premium conversion benefit portion of the cafeteria plan unless the employee notifies the trustee in writing that the employee elects not to be enrolled. Notwithstanding any provision of Section 16B of this Act to the contrary, the trustee may not establish a fee or charge for administering the premium conversion benefit portion of the cafeteria plan.

(b) An employee employed on the effective date of this article who is not enrolled in the premium conversion benefit portion of the cafeteria plan on that date

shall be enrolled, in accordance with Section 13B(d), Texas Employees Uniform Group Insurance Benefits Act (Article 3.50-2, Vernon's Texas Insurance Code), as added by this Act, in the premium conversion benefit portion of the cafeteria plan unless the employee notifies the trustee that the employee elects not to be enrolled. The enrollment begins on the first day of the month beginning after the effective date of this article if the election is not made before the first day of that month.

SECTION \_\_\_\_02. This article takes effect August 1, 1991, but only if any portion of this Act may take effect in accordance with law before the 90th day after the adjournment of the session of the legislature in which this Act is enacted; otherwise, this article takes effect on the 90th day after the adjournment of that session of the legislature.

**Amendment No. 5 - Rudd**

Amend C.S.S.B. 3 by substituting the following for Subsection (7) on page 25, lines 23-27:

(7) conduct economy and efficiency audits and program results audits as directed by the governing board or commission.

**Amendment No. 6 - Rudd**

Amend Article 18 of C.S.S.B. 3 by deleting SECTION 18.03.

~~[SECTION 18.03. (a) This section prevails over anything to the contrary in this Act, the General Appropriations Act or other law.~~

~~[(b) The rate of state contributions to the Teacher Retirement System of Texas for the fiscal biennium ending August 31, 1993, is 6.5 percent of the aggregate state compensation of all contributing members of the system for each fiscal year of that biennium.]~~

**Amendment No. 7 - Berlanga, Hury, Uher**

Amend C.S.S.B. 3 as follows:

(1) On page 5, line 26, add a new Subsection (f) to read as follows:

“(f)(1) TRANSFER AUTHORIZED. (a) An employee of a state agency may authorize in writing a transfer each pay period from the employee's salary or wage payment for a membership fee in an eligible state employee organization. The written authorization shall remain in effect until an employee, in writing, authorizes a change therein.

(b) The comptroller by rule shall establish an annual transfer authorization period and shall promulgate rules for transfers by employees to a certified eligible state employee organization.

(2) VOLUNTARY PARTICIPATION. Participation by employees of state agencies in the payroll deduction program authorized by this section is voluntary.

(3) REQUIRED DUES STRUCTURE. (a) To be certified by the comptroller, a state employee organization must have a current dues structure for state employees in place and operating in this state for a period of at least eighteen months.

(b) Any organization requesting certification shall demonstrate that the fee structure proposed from state employees is equal to an average of not less than one-half of the fees for that organization nationwide.

(4) ELIGIBILITY OF STATE EMPLOYEE ORGANIZATION. (a) An organization not previously certified may submit an application for certification as an eligible state employee organization to the comptroller within 90 days prior to the beginning of the fiscal year.

(b) The comptroller may approve an application under this subsection if a state employee organization demonstrates to the satisfaction of the comptroller



that it qualifies as an eligible state employee organization by providing the documentation required by this section and applicable rules adopted by the comptroller.

(5) ADMINISTRATIVE FEE. (a) The comptroller shall charge an administrative fee to cover the costs incurred as a result of administering this subsection. Administrative fees shall be paid by each qualifying state employee organization on a pro rata basis to be determined by the comptroller. The comptroller by rule shall determine the most efficient and effective method of collecting such administrative fees. The comptroller shall adopt rules for the administration of this section.

(b) The comptroller shall allocate the administrative fees on a proportional basis to each employing state agency that incurs costs in administering this subsection.

(6) APPROPRIATION. The administrative fees withheld by the comptroller under Subsection (c)(5) are appropriated to the comptroller and the employing state agencies.

(7) APPLICABILITY OF ARTICLE. Any state employee organization that has a membership of at least 4,000 state employee members on April 1, 1991 shall be certified by the comptroller as an eligible state employee organization. Said organization shall not be required to meet any other eligibility requirements as set out herein for certification.

(8) ELIGIBLE STATE EMPLOYEE ORGANIZATION. Eligible state employee organization means a state employee organization with a membership of at least 4,000 state employees continuously for the previous eighteen months, prior to requesting certification from the comptroller, and conducts activities on a statewide basis and that the comptroller has certified under this article. This subsection shall not apply to those organizations set out in Sec. 466.003(c)(7).

(9) STATE AGENCY. State agency means a department, commission, board, office, or any other state entity of state government.

(10) EFFECTIVE DATE. This subsection takes effect January 1, 1992.

#### **Amendment No. 8 - McCollough**

Amend C.S.S.B. 3 at page 9, line 14, by amending Sec. 402.0211(a) to read as follows:

Sec. 402.0211. PROVISION OF LEGAL SERVICES. (a) Except as provided by this section, the attorney general shall provide all legal services for each agency in the executive department of the state government. This section does not apply to the Governor's office or an institution of higher education, as defined by Section 61.003, Education Code.

#### **Amendment No. 9 - Junell**

Amend Section 3.01 of C.S.S.B. 3 by adding a new Subsection (f) to Section 3.01 to read as follows:

(f) Notwithstanding the provisions of this Section, the comptroller may make a payment by warrant, where the use of electronic funds transfer is impractical or where the cost of using electronic funds transfer would exceed use of the warrant.

#### **Amendment No. 10 - Junell**

Amend C.S.S.B. 3 by striking the language in Article 6 and substituting in lieu thereof the following:

SECTION 6.01. Subchapter B, Chapter 402, Government Code, is amended by adding Section 402.0211 to read as follows:

Sec. 402.0211. PROVISION OF LEGAL SERVICES. (a) Except as provided in this section, the attorney general shall provide legal services for each agency in the executive department of the state government for which the attorney general determines those legal services are appropriate and for which the attorney general has not approved the employment or retention of other attorneys under this section. This section does not apply to an institution of higher education, as defined by Section 61.003, Education Code.

(b) The legislature may appropriate revenue to the attorney general to provide legal services to an agency under this section or may appropriate revenue to an agency from which the agency may reimburse the attorney general for the costs of providing legal services under this section. The attorney general shall adopt a schedule of the costs of providing legal services to agencies under this section. If the legislature appropriates revenue to an agency for the reimbursement of the attorney general's costs of providing legal services to the agency, the attorney general shall adopt a billing system as necessary to administer the reimbursement.

(c) An agency covered by Subsection (a) may employ or retain attorneys other than the attorney general to provide legal services for the agency only to the extent that:

(1) funds are specifically appropriated for that purpose; or

(2) the employment or retention is authorized by the attorney general under Subsection (d).

(d) The attorney general may authorize a state agency covered by this section to employ or retain an attorney to provide legal services to represent the agency in instances where the attorney general determines such representation to be appropriate.

(e) A contract for legal services between an attorney, other than a full-time employee of the agency, and a state agency in the executive department, other than an agency established by the Texas Constitution, must be approved by the attorney general.

(f) For purposes of this section, the functions of a hearing examiner, administrative law judge, or other quasi-judicial officer are not considered legal services.

(g) The attorney general shall adopt a plan for the implementation of this section before January 1, 1992. The attorney general shall comply with this section before September 1, 1992. This subsection expires January 1, 1993.

#### **Amendment No. 11 - H. Cuellar**

Amend C.S.S.B. 3 on page 21, line 18, immediately following "Board" by inserting ", the Governor's Office of Budget and Planning,".

#### **Amendment No. 12 - Junell**

Amend C.S.S.B. 3 by striking SECTION 13.091 of the bill and substituting the following:

SECTION 13.091. Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes), is amended by adding Section 8 to read as follows:

Sec. 8. LIMITATION ON DEBT PAYABLE FROM GENERAL REVENUE FUND. (a) The legislature may not authorize additional state debt if the resulting annual debt service exceeds the limitation imposed by this section. The maximum annual debt service in any fiscal year on state debt payable from the general revenue fund may not exceed five percent of an amount equal to the average of the amount of general revenue fund revenues, excluding revenues constitutionally dedicated for purposes other than payment of state debt, for the three immediately preceding fiscal years.

(b) For purposes of this section, "state debt payable from the general revenue fund" means general obligation and revenue bonds, including authorized but unissued bonds, and lease-purchase agreements in an amount greater than \$250,000, which bonds or lease purchase agreements are designed to be repaid with the general revenues of the state. The term does not include bonds that, although backed by the full faith or credit of the state, are reasonably expected to be paid from other revenue sources and that are not expected to create a general revenue draw. Bonds or lease purchase agreements that pledge the full faith and credit of the state will be considered to be reasonably expected to be paid from other revenue sources if they are designed to receive revenues other than state general revenues sufficient to cover their debt service over the life of the bonds or agreement. In the event such bonds or agreement, or any portion thereof, subsequently requires use of the state's general revenue for payment, the bonds or agreement, or such portion thereof, will be considered to be a "state debt payable from the general revenue fund" within the definition of this section, until one of the following events occurs:

(1) the bonds or agreement are backed by insurance or other form of guarantee that will ensure payment from other than general revenue; or

(2) the issuer demonstrates to the satisfaction of the bond review board that the bonds will no longer require a general revenue draw, and the bond review board so certifies to the legislative budget board.

#### **Amendment No. 13 - Greenberg**

Amend C.S.S.B. 3 as follows:

On page 48, strike lines 21 and 22 and substitute the following:

(14) recent trends in use of capitalized interest;

(15) debt service coverage ratios where applicable; and

(16) other information considered relevant by the board.

#### **Amendment No. 14 - Williamson**

Amend C.S.S.B. 3 in Article 16 as follows:

(1) In Section 16.04 of the bill, in Section 317.005, Government Code, strike proposed Subsections (b) and (h) (page 60, lines 4 through 11, and page 62, lines 10 through 13) and substitute the following:

(b) In response to a proposal by the board under Section 317.002(a) involving a state agency headed by an executive director or similar officer whom the governor has the power to remove with the advice and consent of the senate, the governor may recommend changes in the proposal. In response to any other proposal by the board under Section 317.002(a) or (b), the governor may:

(1) ratify the proposal by adopting an order changing the relevant appropriation in the manner specified in the proposal;

(2) reject the proposal; or

(3) recommend changes in the proposal.

(h) A board proposal made under Section 317.002(a) involving a state agency headed by an executive director or similar officer whom the governor may remove with the advice and consent of the senate may be adopted by an order of the board at any time after publication of the proposal. The governor is not required to ratify a board order adopted under this subsection.

(2) In Section 16.04 of the bill, in Section 317.006, Government Code, strike proposed Subsection (b) (page 63, lines 4 through 7) and substitute the following:

(b) If the board rejects a contingent order of the governor pursuant to a board proposal made under Section 317.002(a) involving a state agency headed by an executive director or similar officer whom the governor may remove with the advice

and consent of the senate, the board may adopt its original order under Section 317.005(h), notwithstanding the governor's contingent order.

(3) In Article 16 of the bill, add a new Section 16.015 to read as follows:

SECTION 16.015. Chapter 317, Government Code, is amended by adding Section 317.0025 to read as follows:

Sec. 317.0025. STATE AGENCY UNDER REORGANIZATION. (a) Notwithstanding Section 317.005, a board proposal made under Section 317.002(a) affecting an appropriation for the state fiscal biennium ending August 31, 1993, to a state agency covered by this section may be adopted by an order of the board at any time after publication of the proposal, and the governor is not required to ratify the board's proposal.

(b) This section applies only to an agency in relation to which the 72nd Legislature by statute has:

- (1) assigned powers or duties previously assigned to another agency;
- (2) eliminated or reduced powers or duties; or
- (3) changed the governance.

(c) This section expires September 1, 1993.

#### Amendment No. 15 - P. Gallego

Amend C.S.S.B. 3 by adding an appropriately numbered article to read as follows and renumbering the remaining articles accordingly:

#### ARTICLE \_\_\_\_\_

SECTION 1. Section 403.055, Government Code, is amended to read as follows:

Sec. 403.055. Issuance to Debtors Prohibited

(a) A warrant may not be issued to a person, or to the person's agent or assignee, if the person is indebted or owes delinquent taxes to the state, or owes delinquent taxes under a tax that the comptroller administers or collects, until the debt or taxes are paid.

(b) If a person owes delinquent taxes under a tax that the comptroller administers or collects, the comptroller may subtract the delinquent amount from the total amount due the person from the state, except from amounts due that are deemed to be current wages, and issue a warrant for the difference. The delinquent person is entitled to written notice of at least 20 days before the date of the offset. The notice must conform to the notice requirements under Section 111.018(b)(1) through (3), Tax Code. The comptroller may promulgate rules for the administration of this section.

SECTION 2. This Act takes effect January 1, 1992.

#### Amendment No. 16 - A. Smith

Amend C.S.S.B. 3 by adding an appropriately numbered article to read as follows:

#### ARTICLE \_\_\_\_\_

SECTION \_\_\_\_\_. Section 3, Chapter 206, General Laws, Acts of the 42nd Legislature, Regular Session, 1931 (Article 689a-2, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 3. (a) The Governor is hereby authorized to collaborate with the Legislative Budget Board in designing and preparing uniform budget estimate blanks upon which all requests for appropriations from the Legislature shall be prepared; and the Governor shall require that all requests for appropriations be submitted [to him] on such blanks or forms.

(b) The uniform budget estimate blanks or forms must require that an agency in the executive branch of the state government provide an estimate of the number

of individuals to be employed by the agency for the fiscal biennium for which appropriations are requested.

SECTION \_\_\_\_\_. Section 6, Chapter 206, General Laws, Acts of the 42nd Legislature, Regular Session, 1931 (Article 689a-5, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 6. Based on information submitted to the Governor in the estimates and obtained [by him] at public hearings, from inspections and from other sources, the Governor shall compile the biennial appropriation budgets. On such budgets, the list of appropriations shall be shown for the current year preceding the biennium for which appropriations are sought and recommended, and the expenditures shall be shown for each of the two (2) full years next preceding the current year. The budget shall also show the amounts requested by the various agencies and the amounts recommended by the Governor for each of the years of the ensuing biennium. The budget shall also show the number of employees requested by an agency in the executive branch of the state government and the number of employees recommended by the Governor for each of the years of the ensuing biennium.

SECTION \_\_\_\_\_. Chapter 316, Government Code, is amended by adding Subchapter F to read as follows:

#### SUBCHAPTER F. LIMIT ON NUMBER OF EMPLOYEES

Sec. 316.051. LIMITATION IN GENERAL APPROPRIATIONS ACT. Except as provided by Section 316.052, the maximum number of individuals employed by an agency in the executive branch of the state government at any time during a fiscal biennium may not exceed the number of employees authorized for the agency by the General Appropriations Act for that biennium.

Sec. 316.052. ADDITIONAL EMPLOYEES PAID FROM FEDERAL FUNDS. The number of employees of an agency during a fiscal biennium may exceed the limitation imposed by the General Appropriations Act if the salaries for the additional employees are entirely funded through federal funds.

SECTION \_\_\_\_\_. Section 322.008, Government Code, is amended to read as follows:

Sec. 322.008. APPROPRIATIONS BILL. (a) The director, under the direction of the board, shall prepare the general appropriations bill for introduction at each regular legislative session.

(b) Not later than the 1994-1995 school year, the general appropriations bill shall include for purposes of information the funding elements adopted by the foundation school fund budget committee under Section 16.256(e), Education Code, excluding the values for each school district calculated under Subdivision (2) of that subsection. The funding elements under Section 16.256(e)(3), Education Code, shall be reported in dollar amounts per pupil.

(c) The general appropriations bill must include for each agency in the executive branch of the state government a limit on the number of employees that the agency may employ at any one time during the fiscal biennium for which funds are appropriated.

(d) [(c)] Not later than the fifth day after a regular legislative session convenes, the director shall transmit a copy of the budget of estimated appropriations prepared by the director to the governor and each member of the legislature.

(e) [(d)] Not later than the seventh day after a regular legislative session convenes, the director shall transmit a copy of the general appropriations bill to the governor and each member of the legislature.

**Amendment No. 17 - Williamson**

Amend Amendment No. 16 to C.S.S.B. 3 as follows:

(1) On page 2, line 15, strike “Section 316.052” and substitute “Sections 316.052 and 316.053”;

(2) On page 2, between lines 24 and 25, insert the following:

Sec. 316.053. AGENCIES UNDERGOING REORGANIZATION. The limitation imposed by Section 316.051 does not apply to employees of an agency in relation to which the 72nd Legislature by statute has:

- (1) assigned powers or duties previously assigned to another agency;
- (2) eliminated or reduced powers or duties; or
- (3) changed the governance.

**Amendment No. 18 - Campbell**

Amend C.S.S.B. 3 as follows:

Add the following new Article \_\_\_\_\_:

“SECTION \_\_\_\_01. Subchapter G, Chapter 130, Education Code, is amended by adding Sections 130.126 through 130.130 to read as follows:

Sec. 130.126. LONG-TERM NOTES. (a) The governing board of a public junior college district or regional college district located in one or more counties having a total population of at least 100,000 according to the last preceding federal census may issue notes to pay expenses of asbestos cleanup and removal in the district.

(b) Notes issued under this section must be secured by a designated portion of the issuer’s revenues, which may include ad valorem maintenance taxes, and must mature not later than the first day of the 15th year after the date on which the notes are issued.

(c) A note issued under this section is debt under Section 26.012, Tax Code.

(d) Except as provided by Subsection (b) of this section, the governing board of a public junior college district or regional college district must issue the notes in the manner provided by the Bond Procedures Act of 1981 (Article 717k-6, Vernon’s Texas Civil Statutes, as amended).

Sec. 130.127. REFUNDING NOTES. The governing board of a public junior college district or regional college district may issue refunding notes to refund notes issued under Section 130.126 of this code in the manner and for the purposes provided by Chapter 503, Acts of the 54th Legislature, Regular Session, 1955 (Article 717k, Vernon’s Texas Civil Statutes, as amended).

Sec. 130.128. SALE OF NOTES. (a) The governing board of a public junior college district or regional college district may sell notes or refunding notes issued under this subchapter at a public or private sale and at a price that the board determines is adequate.

(b) The governing board of a public junior college district or regional college district shall deposit proceeds from the sale of notes issued under this subchapter in the district’s general revenue fund.

(c) Proceeds from the sale of notes issued under this subchapter may be used to pay the costs of issuing, marketing, or distributing the notes.

Sec. 130.129. INTEREST RATE. Notes and refunding notes issued under this subchapter must bear interest at a rate not to exceed the rate provided by Chapter 3, Acts of the 61st Legislature, Regular Session, 1969 (Article 717k-2, Vernon’s Texas Civil Statutes, as amended).

Sec. 130.130. NOTES ARE NOT TAX BONDS. Notes and refunding notes issued under this subchapter are not tax bonds under Section 130.122 of this code, and an election is not required before the governing board of a public junior college district or regional college district may issue such notes or refunding notes.

SECTION \_\_\_\_02. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted."

**Amendment No. 19 - Wilson**

Amend C.S.S.B. 3 as follows:

Amend Article 5 of the bill by adding SECTION 5.02 to read as follows:

SECTION 5.02. (a) A state agency or political subdivision of the state may not compensate bond counsel in an amount based on the amount of any bonds issued or considered. A state agency or political subdivision must compensate bond counsel on an hourly basis for work actually performed.

(b) This section does not apply to a contract for bond counsel executed before the effective date of this section.

**Amendment No. 20 - R. Lewis**

Amend C.S.S.B. 3 as follows:

On page 33, line 7, strike ", federal" and substitute the following:

"restrictions, the need to demonstrate to the federal government that the state has the capability to sufficiently fund specific programs that the federal government may delegate or authorize the state to administer in lieu of a federal agency,"

**Amendment No. 21 - Heflin**

Amend C.S.S.B. 3 as follows:

Add a new article appropriately numbered to read as follows:

ARTICLE \_\_\_\_\_

SECTION \_\_\_\_\_. Section 316.002, Government Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) To ensure compliance with Article VIII, Section 22, of the Texas Constitution, the Legislative Budget Board may not transmit in any form to the governor or the legislature the budget as prescribed by Section 322.008(c) or the appropriations bill as prescribed by Section 322.008(d) until the limit on the rate of growth of appropriations has been adopted as required by this subchapter.

(e) In the absence of an action by the Legislative Budget Board to adopt a spending limit as provided in Subsections (a) and (b), the estimated rate of growth in the state's economy from the current biennium to the next biennium shall be treated as if it were zero, and the amount of state tax revenues not dedicated by the constitution that could be appropriated within the limit established by the estimated rate of growth in the state's economy shall be the same as the level of appropriations for the current biennium.

**Amendment No. 22 - McDonald**

Amend C.S.S.B. 3 as follows:

(1) Insert the following new article, appropriately numbered, to read as follows:

ARTICLE \_\_\_\_\_

Section 1, Article 1182m, Vernon's Texas Civil Statutes, is amended to read as follows:

Section 1. Pursuant to Article III, Section 52-a, of the Texas Constitution, any home-rule city with a population exceeding 500,000 [780,000] based on the most recent federal decennial census is authorized to create programs for the grant of public money to any organization exempt from taxation under Section 501(a) of

the Internal Revenue Code of 1986 as an organization described in Section 501(c)(3) of that code for the public purposes of development and diversification of the economy of the state, elimination of unemployment or underemployment in the state, and development or expansion of commerce in the state. The grants shall be in furtherance of such public purposes and shall be used by the recipient as determined by the recipient's governing board of programs found by the home-rule city to be in furtherance of this Act and under conditions prescribed by the home-rule city.

**Amendment No. 23 - Campbell**

Amend C.S.S.B. 3 by adding the following article appropriately numbered:

ARTICLE \_\_\_\_.

SECTION 1. (a) In this Act, "state agency" includes a board, commission, department, committee, institution, agency, or office within the executive branch of state government, including an institution of higher education.

(b) Each state agency in existence on August 31, 1989, and on the effective date of this Act, other than the Texas Department of Criminal Justice or the Texas Department of Mental Health and Mental Retardation, that employs more employees than the agency employed on August 31, 1989, may not hire any additional employees until the comptroller determines that the agency employs a number of employees equal to or less than the number that were employed by the agency on August 31, 1989.

(c) On September 2, 1992, the comptroller shall determine whether each state agency under Subsection (a) of this section employs a number of employees equal to or less than the number employed by the agency on August 31, 1989. If the comptroller determines that the state agency employs more employees than the agency employed on August 31, 1989, the agency shall, not later than January 1, 1993, reduce the number of its mid-level and upper-level employees to reach a number of employees equal to or less than the number it employed on August 31, 1989.

(d) Not later than January 15, 1993, the comptroller shall determine whether each state agency required to reduce the number of its employees under Subsection (c) of this section has done so and shall report the comptroller's determination to the 73rd Legislature.

(e) Each state agency that the comptroller determines on September 2, 1992, employs a number of employees equal to or less than the number employed by the agency on August 31, 1989, is entitled to grant each state employee employed at the agency a 10 percent increase in salary.

**Amendment No. 24 - Craddick**

Amend Amendment No. 23 to C.S.S.B. 3 to read as follows:

Amend C.S.S.B. 3 by adding the following article appropriately numbered:

ARTICLE \_\_\_\_.

SECTION 1. (a) In this Act, "state agency" includes a board, commission, department, committee, institution, agency, or office within the executive branch of state government, other than an institution of higher education.

(b) Each state agency in existence on August 31, 1989, and on the effective date of this Act, other than the Texas Department of Criminal Justice or the Texas Department of Mental Health and Mental Retardation, that employs more employees than the agency employed on August 31, 1989, may not hire any additional employees until the comptroller determines that the agency employs a number of employees equal to or less than the number that were employed by the agency on August 31, 1989, except for additional employees approved by the governor.



(c) On September 2, 1992, the comptroller shall determine whether each state agency under Subsection (a) of this section employs a number of employees equal to or less than the number employed by the agency on August 31, 1989. If the comptroller determines that the state agency employs more employees than the agency employed on August 31, 1989, the agency shall, not later than January 1, 1993, reduce the number of its mid-level and upper-level employees to reach a number of employees equal to or less than the number it employed on August 31, 1989, unless the governor approves a greater number of such employees.

(d) Not later than January 15, 1993, the comptroller shall determine whether each state agency required to reduce the number of its employees under Subsection (c) of this section has done so and shall report the comptroller's determination to the 73rd Legislature.

(e) Each state agency that the comptroller determines on September 2, 1992, employs a number of employees equal to or less than the number employed by the agency on August 31, 1989, is entitled to grant each state employee employed at the agency a 10 percent increase in salary.

#### **Amendment No. 25 - Wentworth**

Amend C.S.S.B. 3 as follows:

The State Auditor is directed to conduct a financial and program audit of the management, finances and investment practices, if any, of any state agency receiving the "Silver Snout Award" from the state comptroller.

The amendments were read.

Senator Montford moved that the Senate do not concur in the House amendments, but that a Conference Committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed.

The President asked if there were any motions to instruct the Conference Committee on S.B. 3 before appointment.

There were no motions offered.

The President announced the appointment of the following conferees on the part of the Senate on the bill: Senators Montford, Chair; Barrientos, Ellis, Carriker, Glasgow.

#### **CONFERENCE COMMITTEE ON HOUSE JOINT RESOLUTION 10**

Senator Green called from the President's table for consideration at this time the request of the House for a Conference Committee to adjust the differences between the two Houses on H.J.R. 10 and moved that the request be granted.

The motion prevailed.

The President asked if there were any motions to instruct the Conference Committee on H.J.R. 10 before appointment.

There were no motions offered.

Accordingly, the President announced the appointment of the following conferees on the part of the Senate on the bill: Senators Green, Chair; Haley, Glasgow, Leedom, Zaffirini.

**SENATE RULE 11.11 SUSPENDED**

On motion of Senator Montford and by unanimous consent, Senate Rule 11.11 was suspended in order that the Committee on Finance might consider **S.B. 90** today.

**NOTICE OF CONSIDERATION OF NOMINATIONS**

Senator Barrientos gave notice that he would Friday, August 2, 1991 at the conclusion of Morning Call submit to the Senate for consideration nominations to agencies, boards and commissions of the State.

**RECESS**

On motion of Senator Brooks, the Senate at 12:02 p.m. took recess until 6:00 p.m. today.

**AFTER RECESS**

The Senate met at 6:00 p.m. and was called to order by Senator Brooks.

**MESSAGE FROM THE HOUSE**

House Chamber  
July 31, 1991

HONORABLE BOB BULLOCK  
PRESIDENT OF THE SENATE

SIR: I am directed by the House to inform the Senate that the House has passed the following:

The House has granted the request of the Senate for the appointment of a Conference Committee on **S.B. 3**: Rudd, Chair; Williamson, T. Hunter, Blackwood, Alexander.

Respectfully submitted,  
BETTY MURRAY, Chief Clerk  
House of Representatives

**MEMORIAL RESOLUTIONS**

**S.R. 86** - By Montford: In memory of Frances Croslin of Lubbock.

**S.R. 125** - By Sims: In memory of Hugh William "Bill" Rieck of Austin.

**CONGRATULATORY RESOLUTIONS**

**S.C.R. 11** - By Brooks: Expressing appreciation to the University of Houston Cullen College of Engineering for its innumerable contributions to the State of Texas over the last 50 years.

**S.C.R. 12** - By Brooks: Commending the residents of Texas City for their bravery and notable accomplishments and extending best wishes for a joyous 80th anniversary.

**S.C.R. 13** - By Brooks: Expressing a hearty welcome to Consul General Juan V. Saz of the Phillipines to the State of Texas.

**S.R. 87** - By Montford: Extending congratulations to Rita Tyson, County and District Clerk of Cochran County, who was named Outstanding District Clerk of the State of Texas.

**S.R. 88** - By Armbrister: Recognizing the First Baptist Church of Hallettsville for the important role it has played in the civic affairs of Hallettsville and Lavaca County.

**S.R. 90** - By Sims: Extending congratulations to Mr. and Mrs. James H. Caldwell of Midland on the occasion of their 50th wedding anniversary.

**S.R. 91** - By Sims: Extending congratulations to Matthew Thomas Wood of Midland on achieving the rank of Eagle Scout.

**S.R. 92** - By Sims: Extending congratulations to Mr. and Mrs. Paz Rodriguez of San Angelo on the occasion of their 50th wedding anniversary.

**S.R. 93** - By Sims: Extending congratulations to Juanita and Emery Nix of Rockport on the occasion of their 50th wedding anniversary.

**S.R. 94** - By Sims: Extending congratulations to Shawn C. Gengler of Midland on achieving the rank of Eagle Scout.

**S.R. 95** - By Brown: Paying tribute to the esteemed University of Houston-Clear Lake President, Thomas Stauffer.

**S.R. 96** - By Turner: Extending congratulations to Phillip and Vi Nix of Bryan on the occasion of their 50th wedding anniversary.

**S.R. 97** - By Turner: Extending congratulations to Maurice and Susan Milliken on the occasion of their 50th wedding anniversary.

**S.R. 98** - By Turner: Extending congratulations to Pete and Mary Scanlin on the occasion of their 50th wedding anniversary.

**S.R. 99** - By Tejeda: Extending congratulations to Stephen Ray Sanchez of San Antonio on achieving the rank of Eagle Scout.

**S.R. 100** - By Barrientos: Extending congratulations to Tom Albin for his tenure on the Wells Branch Municipal Utility District Board of Directors and urging him to continue his leadership role in neighborhood activities.

**S.R. 101** - By Parker: Paying tribute to Shirley Bailey, Natascha Bartnicki, Dana L. Chappell, Carl Griffith, Jr., Mary Ellen Hunt, June Klein, Creighton LeBlanc, Dr. Carl Montano, Anthony Pendleton, and The Reverend Randy G. Vaughn, who were the recipients of "The 10 People Who Made a World of Difference Awards."

**S.R. 102** - By Parker: Extending congratulations to Adam Vance for winning second place in the C.H.I.C.K.E.N. Club essay contest sponsored by the D.E.F.Y. Foundation.

**S.R. 103** - By Parker: Recognizing Charles W. Beard, Field Director for the Three Rivers Council of the Boy Scouts of America, for his many years of devoted service.

**S.R. 104** - By Sibley: Recognizing Jay Singletary for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 105** - By Sibley: Recognizing Earl Holder for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 106** - By Sibley: Recognizing Buford Estes for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 107** - By Sibley: Recognizing Dusty Stewart for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 108** - By Sibley: Recognizing Juanice for giving of her time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 109** - By Sibley: Recognizing Jim Nelson for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 110** - By Sibley: Recognizing Roy Price for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 111** - By Sibley: Recognizing Tommy Howser for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 112** - By Sibley: Recognizing Roy Carroll for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 113** - By Sibley: Recognizing Brian Collins for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 114** - By Sibley: Recognizing Bill Green for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 115** - By Sibley: Recognizing Clyde Brewer for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 116** - By Sibley: Recognizing Bert Owen for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 117** - By Sibley: Recognizing Pee Wee Doyle for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 118** - By Sibley: Recognizing Pete Mendoza for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 119** - By Sibley: Recognizing Rick Allen for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 120** - By Sibley: Recognizing Rick Doss for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 121** - By Sibley: Recognizing Vickie Doss for giving of her time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 122** - By Sibley: Recognizing Bennie Alewine for giving of his time and talent to perform at benefit concerts for D.A.R.E.

**S.R. 123** - By Harris of Tarrant: Expressing great admiration for the heroic deeds of Timothy A. Maloney and Ricardo Narvaez of Arlington.

**S.R. 124** - By Green: Recognizing and commending James A. "Jim" Boyer for his many years of exceptional service to his fraternity, his church and his fellowman.

**S.R. 126** - By Sims: Extending congratulations to Mr. and Mrs. James F. Zoeller of Boerne on the occasion of their 50th wedding anniversary.

**S.R. 127** - By Sims: Extending congratulations to Mr. and Mrs. Marvin Dean of Boerne on the occasion of their 60th wedding anniversary.

**S.R. 128** - By Sims: Extending congratulations to Mr. and Mrs. Charlie Rogers of Boerne on the occasion of their 50th wedding anniversary.

**S.R. 129** - By Sims: Recognizing the Van Horn Eagle's Baseball Team for winning the State Class AA baseball tournament in Austin.

**S.R. 130** - By Sims: Honoring J. Evetts Haley on the occasion of his 90th birthday and on the 15th anniversary of the Haley Library and the 30th anniversary of the founding of the Nita Stewart Haley Memorial Library Trust.

#### ADJOURNMENT

On motion of Senator Moncrief, the Senate at 6:02 p.m. adjourned until 9:30 a.m. Friday, August 2, 1991.